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DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

PROCEEDINGS
AND
ADDRESSES

Sixth Annual Staff Conference
and Birthday Dinner

April 15 - 18, inclusive, 1941

WASHINGTON, D. C.



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GENERAL SESSION

DEPARTMENTAL AUDITORIUM

3:00 p.m.--April 16, 1941

Honorable Harry Slattery, Administrator, Rural Electrification
Administration, presiding

Honorable Paul H. Appleby, Under Secretary of Agriculture

Dr. H. S. Person, Consulting Economist, Rural Electrification
Administration

Honorable John E. Rankin, Member of Congress

Mrs. Franklin D. Roosevelt

MR. SLATTERY: The Conference will now come to order. This is the Sixth Annual Conference of the Rural Electrification Administration--the second conference as a part of the Department of Agriculture. Within a month we shall have been under the Department of Agriculture two years. I am glad to welcome all the members of the organization and their friends; to welcome the officials from the Department of Agriculture and from other departments.

One year ago, we had our Fifth Conference. At that time, you will remember, the President gave me permission to say to the Conference that he intended to urge approval of the \$100,000,000 appropriation for a loan fund by the Bureau of the Budget to the Congress of the United States, but that he wanted it understood that we would in every way give speed and more speed to the enlarged program. He realized that we might later run into certain complications caused by defense activities which made it desirable for us to get under way rapidly. I want to state here today that through you men and women of the Rural Electrification Administration, and particularly you men and women in the field, we have carried out the President's directions and have brought forward this program in no uncertain terms, so that today over 700,000 consumers are now on the REA lines. This isn't a sermon, but if you remember the opening of the Conference last year, I had a text, and I am going to have one for today. It's from Genesis I. "In the beginning God created heaven and earth, and the earth was void and empty, and darkness was on the face of the deep, and the spirit of God moved over the waters, and God said, 'Be light made,' and light was made." I think that if you will let your imagination run this afternoon, you will see that throughout the United States from coast to coast, from border to Gulf, light has been made in thousands and tens of thousands of farm homes. Electricity, a great labor-saving device, a great economic factor, a great blessing, has been brought to the farm people of America. In large measure, this benefit is due you men and women here this afternoon, with the aid of the members and officers of our many cooperatives throughout the United States.

As I told Secretary Wallace when I was sworn in, I know that among the many fine benefits the Department of Agriculture has brought to the rural people of America, this program will be one of the bright diadems in the crown of American agriculture. I like to think that, after all, the spirit of an organization is something that is beyond material things. It's a very emotional thing to realize how a group of men and women can come together by cooperation and accomplish such valuable things as are portrayed in our moving picture, "Power and the Land," and expressed so adequately in that fine title Mr. Benét wrote, "Working Together." The blessings that have been brought about and will be brought about by this rural-electrification program, and by the group of devoted men and women working together, will go down in history as a great accomplishment. Organizations really have to have a spirit back of them; and

our spirit, I like to think, came from the early men who saw the vision of rural electrification. In my little book, I indicated that out of my knowledge of years I know this dream has come from men back many, many years ago. They had the vision, and they worked night and day toward its ultimate success. Many have not lived to see it, but I believe by their inspiring attitude they breathed into this program something different and unusual. Some time back I had the pleasure of being in London, and through my friend, William Hassett, now at the White House as Assistant to the Secretary to the President, I met at the Connaught Club the widow of Green, who wrote the "History of England." She was then 98 years old. I do not know whether many of you have read Green's "History of England"--a great classic. I have read it several times, and recently reread it, because it proves very definitely the real unity of the English people. Something spiritual brought these people together, and through the centuries they have worked together for a great ideal. We in this country, without any question, recaptured that ideal in many ways in the early days. It was this spirit that made it possible for the devoted group of men and women, whether you call them founding fathers or founding mothers, to bring into being and to develop this great country. There is something in the English people over there today that is making them work together, making them sacrifice together, making them suffer together.

The spirit that leads people to do things together, whether they are sorrows or whether they are joys, is something that in my opinion does not come from this mundane earth of ours. I like to think there is a good deal in this REA spirit that is similar to the early American pioneer spirit.

When I was testifying before the House Committee on Appropriations, I made this statement with reference to you men and women of REA:

"They are a devoted lot of people. I have said it before, and I told the President this once. In my many years of experience, the personnel of REA is very unusual. Its devotion to an ideal has made men work there who probably could get twice the salary elsewhere. It is a hard-working organization. . . . Their devotion to an ideal is something unusual in my experience. This handful of men and women--about 900, generally--carried on this tremendous piece of work, which could only have been done by their devotion. I do not make any invidious comparisons with other Government bureaus, but I have had a lot of them under me in my time, and this is something that is to be highly commended by Congress, I am sure. The work they have turned out has been unusual when you realize that these public utilities of a like size have (large organizations of men and women with) tremendous

salaries. They have budgets; I have looked at some of them myself. Judge Leavy gave one the other day (before the Committee), the Washington Water Power, a small organization, which has an administrative item comparable to ours."

I know it is realized in the Department of Agriculture that you men and women have this unusual quality. I have on occasions quoted Secretary Wallace, Secretary Wickard, and Under Secretary Appleby, whom I will shortly introduce, indicating their confidence in the splendid work you are doing. They recognize the contribution you have made to American agriculture, and will make in the years to come. You will bring forward the day very soon, in my opinion, when nearly all of rural America will be electrified.

I should like to stress in this connection that on July 1, 1939, the allotments of REA totalled \$227,000,000. By March 1, 1941, they have totalled \$364,000,000. I'm giving round-numbered figures. The increase was \$137,000,000. Funds advanced totalled \$122,000,000 on July 1, 1939. On March 31, 1941, they totalled \$274,000,000, an increase of around \$152,000,000. REA-financed systems were operating 115,000 miles of line on July 1, 1939. On March 1, 1941, they are operating 286,000 miles, an increase of over 170,000 miles. The number of consumers connected to REA-financed lines on July 1, 1939, was 268,000. On March 1, 1941, it was 726,000, an increase of 458,000 consumers. These figures indicate that approximately 38 percent of the allotments made by the REA to date have been made since July 1, 1939. Over 55 percent of all funds advanced to REA borrowers have been advanced during the same period. Approximately sixty percent of the total number of miles energized to date have gone into service since July 1, 1939, and 76 percent of all the consumers now connected to REA-financed lines began, you might say, one month a year from now.

You men and women have made an unusually impressive contribution. You are, of course, familiar with the increase in miles of construction per week. Following that stewardship demand of the President, we made accelerated progress; advanced the number of consumers; advanced the number of kilowatts; advanced the blessings of REA at a rate that has never been equalled since it was started in the early days of 1935. I returned recently from a trip in the South--I think a human-interest story is always an interesting and pleasant one. One of the superintendents of an REA co-op told me that on Saturday afternoon people come from many places--in wagons and in cars from areas not electrified--to hear the radio program of the Metropolitan Opera. On Saturday afternoon, it is significant to find such enthusiasm and interest in a section of the country that is not far from a "beautiful place" named Hell Hole Swamp--a jumping-off place, if you can

find one anywhere! You see the educational and cultural benefits REA has brought to the rural people of this country; great benefits from the radio and from labor-saving devices; great blessings which I do not have to recount to you men and women in REA, that increase immensely the living comforts and the producing ability of farm families.

I know this week has been a profitable week in the conferences. Many of you have found a great inspiration in coming to Washington, particularly at this unusual time. Washington is still bright, thank God, although many other capitals in the world are not. We shall light up our REA building tonight, and I want to invite everyone here to come to the housewarming in the new building at Rhode Island and Connecticut Avenues. We shall have the most brilliantly lighted building in any capital in the world tonight. I know you are all proud with me that we have this new building, and that we now have our organization in one building instead of its being spread out in eleven buildings throughout the city.

I now take the pleasure of presenting the Under Secretary of the Department of Agriculture, Paul H. Appleby. I am going to read from a book by McMahon and Millett entitled "Federal Administrators," one of the fine studies that have been made of the administrators in this new Administration under President Roosevelt. I hope you'll forgive me if I quote someone else to make the Under Secretary blush.

"About that level for purposes of central direction, the younger Wallace has had several administrative assistants, and to speak of a collegial departmental managership is almost justified--almost, for actually, one of these, Paul H. Appleby, *primus inter pares*" (which means very definitely without parallel as a right hand to Secretary Wallace). "Born in Missouri in 1891, the son of a clergyman, Paul Appleby was educated in Missouri and Iowa. Following graduation from Grinnell College, he worked on a fruit farm in the Wenatchee Valley in Washington and in stores in Tacoma. Later, he ran several weekly newspapers in Montana, Minnesota, and Iowa before becoming an editorial writer on the Des Moines Register and Tribune. While serving on this paper, he became personally acquainted with Henry A. Wallace. In 1928, Appleby acquired some weekly newspapers in Virginia, which he has published since that time. When Henry Wallace became Secretary of Agriculture, Appleby came to the Department as his assistant. An able, intelligent, and engaging person, Appleby in a short time became a considerable influence in the Department. He handles the

concerns which at any time have an especial claim on the Secretary's attention, and as well keeps in touch with Bureau affairs. In general, all matters which come before the Secretary must first pass over Mr. Appleby's desk. He attempts to make certain that papers have been adequately considered before they reach Wallace for decision. In addition, Appleby has taken charge of many external relationships of the secretary, especially in seeing persons who believe they have some business that demands the Department's attention."

And he continues on a later page in a part on the special abilities that mark former Secretary Henry Wallace:

"It might not always happen that a newcomer in the post of Chief Assistant would have Paul Appleby's balance of pungency and patience, not to mention his almost brooding concern in the administrative process. Certainly this aspect of organization at headquarters in the Department of Agriculture does not offer a pattern for emulation by departments that lack its distinctive advantages."

I think that quotation from the very excellent book on administrative procedure in Washington is apt. You all know that for the eight years he has been in the Department of Agriculture, Mr. Appleby has been one of the driving forces in the new day for agriculture and has been the right bower of Secretary Wallace, now Vice President. The Vice President from the beginning has been a friend of rural electrification. It is an inheritance--it's in the blood--dating back to his grandfather's time. In a report of the old Country Life Commission, "Uncle Henry" Wallace, as he was affectionately known, prophesied that some day rural electrification would come to America. I know Mr. Appleby shared in this genuine support of rural electrification. I have the pleasure of presenting Under Secretary Paul Appleby.

UNDER SECRETARY APPLEBY: First of all, let me say that I subscribe one hundred percent to that part of Mr. Slattery's talk up to the point where he began introducing me. As to the emotion, the zeal, the special character of REA, I think there is no disagreement in any informed quarters. Necessarily, when I talk about REA, I'll have to talk about it in broad terms, as a part of the Department of Agriculture and its program, and as I start, you may find that there is room to wonder when I'm going to come to REA, but let me assure you that I'm coming. When we take stock of our activities in the Department, one of the questions we frequently ask ourselves is, "How much New Deal character has this program or that bureau?" Without attempting

here and now a comprehensive definition of the New Deal, surely we can all agree that one of its important aspects is a shift away from old concerns for established privilege to a new concern for the less privileged. The New Deal is not satisfied with the old notion that if we shower more privileges on the privileged, a sufficient amount will dribble down to comfort the less privileged, and this concern for the less privileged is a definite contribution to the vitality of our economy, the vitality of our Society. Opening up opportunity, letting new people come up the ladder, surely makes for a more dynamic economy and society. With this aspect of the New Deal as a criterion, then, let us make a quick and rough appraisal of the agencies that comprise this Department.

Some of the agencies are hardly identifiable, and it is hardly necessary that they be, either as New Deal or Old Deal. Some of the technical, semi-regulatory programs, such as the grading of grain or cotton, enforce a kind of trade ethics, but hardly classify with reference to the criterion I am using. Others of a regulatory character--administration of the Perishable Agricultural Commodities Act or administration of the Commodities Exchange Act--protect relatively weak producers from relatively strong handlers or protect relatively weak producers and consumers from relatively strong speculators. But this, too, still falls short of complete New Deal character. There's a tendency with respect to the research bureaus to say simply that science is science, neither New Deal nor Old. Yet the understanding co-operation of the research workers with action agencies is important, and selection of research projects can be shifted so as to have more, or less, significance in terms of the popular needs of the time. And there can be Old Deal or New Deal policies in these research bureaus. For example, it has been the thoughtless custom for years that when one of our bureaus develops some new variety, that variety is distributed through experiment stations by being given first of all to the biggest, most successful producers of that kind of agricultural product, giving those that need it least the first advantage, and giving them the privilege of finally distributing the improved variety to others. The bureaus of the Department have become sensitive to the shortcomings of that practice, which for years they had never thought really to examine, and are establishing better, more equitable practices. Related to this subject is that of public patents. Here we are limited by law, but this Department has been trying for some time to get desirable modifications of the law. When our workers invent new things, as some of the REA workers do--they do in other bureaus--public patents are secured. Any manufacturer may secure a license to manufacture the patented item, and because they are open to unlimited competition, a good many patents are never exploited at all. Those that are made use of tend to be most valuable to the companies already leading the field. I hope

that we may get the right to issue exclusive licenses, properly safeguarded, to cooperative associations, such as those in subsistence-homestead and resettlement communities, where the benefits would be widely diffused among the less privileged. In the Forest Service, we find widespread championship of the small user of forest lands and forest products. In the Farm Credit Administration, we've been prosecuting efforts to lower interest rates and to give foreclosed owners special opportunity to reestablish themselves. The new action agencies, however, have, of course, a special and greater New Deal character. The first of these--the AAA--was one-hundred-percent New Deal in that its basic effort was to restore income to farmers in general when farmers in general had had a reduced income that put them as a group far below the national average. In another respect, that is, in slanting benefits especially toward the less privileged in agriculture, the AAA from the beginning had less responsibility. Its benefits in the beginning were distributed under formulas established by law in about the same proportion as farm income has been distributed through the workings of our conventional economic machinery. But more recently, a limit of \$10,000 on benefit payments was established by Congress as one reform. This limit was not fixed still lower simply because insurance companies and other big holders of farm lands operate together enough farms so as to affect importantly the whole commercial production of some of the basic crops. If these big holdings were to be excluded from the program, unrestricted production would seriously damage the market prices received by those who were in the program. In other words, the AAA, in order to be effective, has to include the bulk of all farms, whether large or small. Another slant toward New Deal character, however, was in establishing irreducible-minimum allotments for small producers. In the sugar program, too, we assumed definite responsibility for improved wage and employment standards for farm labor. The AAA also is moving gradually toward a policy of making certain payments on a family and need basis, rather than on an acreage basis. In this, we shall need congressional concurrence. It is plain from the record that AAA is becoming more and more a New Deal program, yet it must be recognized that the AAA New Deal charter is primarily to support agriculture, which as a whole group is a less-privileged group in its relationship to the rest of the economy. Since our economy operates through commercial enterprise, the AAA will operate through and largely in conformity with farm commercial enterprises. It must be remembered that even in 1940, 62 percent of the farms were operated with less than \$1,500 income per family. I want you to remember that figure--62 percent of the farms operated with less than \$1,500 income per family, including the value of products consumed by the family, the value of the residence rent, etc. Only 8.4 percent of the farmers got more than \$4,000 in 1940. Agriculture isn't burdened with too big a

body of extra-privileged people. What the AAA does for farmers as a group is well merited. The Farm Security Administration, operating exclusively with less-privileged farmers, is one-hundred-percent New Deal. The Surplus Marketing Administration compares with the AAA in one division, having to do with marketing orders. In others--the mattress program, the cotton-stamp program, the food-stamp program, and direct distribution of surplus commodities--it operates exclusively for the less privileged. Now, REA. REA is one-hundred-percent New Deal agency. A home without electricity is certainly not an especially privileged home. Taking electricity into these homes is a job that surely appeals to anyone with social consciousness. The New Deal is a dynamic, growing thing. A one-hundred-percent New Deal agency today must have still more New Deal character ten years hence. I don't know whether that will make it a two-hundred-percent New Deal agency, or whether, with reference to the passing of time, that increased service to the less privileged is necessary to maintain its one-hundred-percent rating. Anyhow, I should like to direct attention to a bigger and better future for REA in the years ahead. Not long ago, someone asked me when the REA was going to conclude its construction program. I want to discuss that question and what it made me think about. It is true that within a few years the REA will have built those lines that can be regarded as good risks for commercial success by rather conventional standards. It is true that operations of and development of the systems already built will be an increasing and major responsibility of REA, but I do not believe that REA will be through with its construction program when these lines are built that meet present requirements as good commercial-success risks. It is important, of course, that projects built on a commercial-success basis be, on the whole, successful. If the REA cooperatives pay out pretty uniformly, that will reflect credit on the program and will silence critics. If there should be too high a percentage of delinquency, and too great delinquency, the utility companies would pounce upon that record and hold us all up to scorn. The present policy is sound, I believe. The record is going to be good, and I'm not advocating any change in present policies. I'm only suggesting that there are ways in which, as time goes on, we can develop and get acceptance for new policies for holding new types of projects that will carry REA's benefits to tens of thousands or hundreds of thousands of farm homes that couldn't get these benefits on the present basis. Of course, this is some years ahead. There are still 4,000,000 farm homes without electricity. Hundreds of thousands will be reached by the present program, but after that we need a new basis for carrying electricity to farm families that can't pay \$9.00 a month or so for each mile of line, or \$8.00 a month, or \$7.00 a month per mile. Town people don't have to obligate themselves so heavily per

family to get electricity. I see no reason why, when we come to that point in the program, there should not be a program of Federal aid for rural electrification. When that time comes, there will be a sharp differentiation between present projects that have to stand on a conventional business basis and these future Federal-aid projects. The Federal-aid projects will not have to stand so exclusively on the conventional commercial justification, and of course every reduction in construction costs, already advanced enormously by REA achievements, every reduction in cost of current, every reduction in interest charges, will help expand the area in which REA will be serving the farm people, because those reductions in cost will reduce the amount of revenue necessary per mile of line. I confidently believe that lower interest rates will be possible in the post-defense period for public-capital requirements, and I am suggesting that the REA people should begin to think about the philosophy, the method of organizing, the method of promoting, the method of operating, cooperatives in an expanded program when the public has become ready to permit REA to go on into this field, so I simply remind you that REA's greatest future is ahead, in the field of low-income farm people, and that REA is just beginning its story of achievement in spite of the tremendous achievement it already has to its credit.

MR. SLATTERY; I want to thank you, Paul, for your talk. I am sure it will give encouragement to the men and women here in this audience, who day by day lead a very hard-working life. I know that agriculture is the keystone in the arch of the national structure, and I am glad Mr. Appleby brought in the other agencies which fit into that general arch, in which I know REA will play an important part as the years go on.

I want to take the liberty before I present Dr. Person, in the spirit of REA working together, to present the men who are your chiefs here on the platform, whom you, of course, all know. I feel that on this historic occasion, they should be part of this picture. I ask Bob Craig to stand, our Deputy Administrator. Frank Sette, our Deputy. Stewart Wilson, Management; Mr. Marion, Finance Division, one of the old-timers; Dr. Herring, one of the pioneers; Mr. Nicholson, the General Counsel. The one and only Charlie Falkenwald, Applications and Loans. Mr. Evans of Personnel. Kendall Foss of Information. Mr. Samuels, Technical Standards--"Sammy," as he is known to everybody. Dr. Lapp of our Labor Relations. Mr. Winder, Cooperatives' Operations. And another Mississippian, Mr. Thaxton, Design and Construction.

I do not have to introduce Dr. Person to an REA audience. He is one of the original folks in REA, and I often say that the men in the early days with Morris L. Cooke were people who also had that vision. His background involves the early days with the old

Taylor society and many years working with Mr. Cooke, including the Mississippi Valley Committee, the National Resources Committee, the National Resources Board, and the President's Great Plains committee. I have great pleasure in presenting Dr. Person.

DOCTOR PERSON: Mr. Administrator, Mr. Secretary, and Mr. Congressman: Last year at the annual conference, the Administrator initiated the custom of having presented to you a simple factual statement of accomplishments during the year. The primary purpose of that is to enable you to have this information for your own satisfaction; to enable you to talk with the directors, superintendents, and members of the various systems authoritatively, and to enable you to talk also authoritatively with citizens generally who are interested in the progress of rural electrification. The Administrator also uses this report as an occasion to call the attention of each one of you to the fact that, from his point of view, whatever satisfactory accomplishment is indicated is not the result of any one division's or any one individual's effort, but is the result of the work of a machine of which each of you is a part and to the achievement of which each one of you contributes. You have a right to feel a satisfaction in that.

Because a printed statement of progress has been distributed among you, you may reasonably feel that there is little justification for an oral supplement to it. I limit myself, therefore, to calling your attention to a few highlights. Give your attention to the very first page of the printed report. You will observe, in respect of Item 1, that the appropriations of loan funds to the end of the fiscal year have been \$374,000,000. In Item 2, you will observe that of that amount there has been allocated \$364,000,000--which shows, Congressman Rankin, that this organization treads fast on the heels of the Congress in utilizing the funds provided for us. In Item 5, which is a continuation of cumulative data, you will find that funds advanced have totalled \$266,000,000, which also is an indication of the fact that you have proved yourselves to be a dynamic "Panzer division" of rural electrifiers who are keeping close up on the job ahead of you. The next item indicates that the weighted miles constructed have gone over the 300,000-mile mark. A few months ago, when it was around 265,000 miles, we discovered by comparison that there had been built under Government auspices a system of distribution lines that had more pole-line mileage than the combined mileage, urban and rural, of the five largest holding companies in the United States. While we haven't made a comparison recently, I imagine we might be safe in saying that today the combined mileage of this system under public auspices is greater than that of the largest eight or ten private-utility holding companies in the United States. That's the size of the enterprise that you have been constructing. Miles energized is 281,000, which again

shows that you are close on your job. There have been connected 709,000 consumers. Turning to Items 2 and 3, having to do with the current year's performance, the loan contracts executed have amounted to \$88,000,000, which is very close to the limit of the \$100,000,000 loan fund of the year. The next item shows that of this \$88,000,000 for which loan contracts have been executed, construction contracts have been approved for over \$67,000,000. The funds advanced for construction and actually put out into circulation, and given their influence or business, have this year amounted to over \$45,000,000.

Most of the succeeding textual and graphical matter consists of amplification of these points. I shall not say more about those points, but ask you to turn to Chart 5, following page 9, for interesting information. The Congress may well ask, "What's the prospect of success of these systems?" It is very difficult to tell what sort of man or woman an infant of less than two years, or even of five years, is likely to make. Now, the oldest of our energized systems is about five years, and the average energization age is 1.2 years. Can we find any indices that have a bearing on the future success of these enterprises? Here are the most dependable of them. Observe that in respect of revenue per mile the median for the systems in the one-to-six months-old group is \$6.69, while that of those in the oldest group is \$11.84. Consumption per month for the one-to-six-months group is 48 kilowatt-hours; for the 43-to-58 months group it is 71. Consumers per mile of line for the one-to-six-months group is 1.8 consumers; for the 43-to-58-months group it is 2.7 consumers. This is notable progress in the face of the facts that nearly all the systems are still enlarging themselves, making extensions, bringing in lean sections to be averaged in with the older sections, so that there is a constant dilution of these figures. Nevertheless, they show a consistent trend upward--which means, favorably. Now turn to page 16, and find the answer to a possible question--"Well, how are they paying out at the present time?" The figures we have just examined indicate very good prospects for the future; but how are they paying out at the present time? Here is a summary of the facts: The interest and principal due has been seven and a third million dollars. The interest and principal paid has been nine and three-quarters millions. Therefore, there have been substantial advance payments not yet due--over two and a half millions. Of course there must always be some "lame ducks." But they show a 30-days-overdue item of only--relatively, I can use the word "only"--\$186,000, and with your assistance they will all be transferred eventually into the group of those recorded as making advance payments.

You have a right to great satisfaction because of this record, but you haven't any right to be complacent about it. You have

developed a technique of work that is becoming more and more efficient, and more and more stabilized. But the environment in which you must do your work is constantly changing, and, in recent months, changing very rapidly. Those changes are creating new obstacles to your work. In the first place, you are faced with obstacles created by priorities for defense. That means a scarcity of some critical materials--possibly inability to get some of them. It means a growing scarcity of labor for your purposes, and perhaps higher prices for labor. Now, that's a challenge to you, because rural electrification depends on the constant devising of ways of construction that will make the electricity less costly to farm people. The reason why for many years, in the face of a great demand from farmers for electric service, there was for them no electric service, was that the private companies of that day had the point of view that the farmers must do something to put themselves in a position to pay for it at the prices the companies then considered justifiable. The point of view that has prevailed under Government auspices is that it is the responsibility of this Administration to make the costs of bringing electricity to farmers so much lower that it will be brought within the range of every farmer in the United States. That you have been doing; but under new conditions arising out of defense efforts, it is going to be a somewhat more difficult problem, and constitutes a definite challenge to you.

Defense puts up to you another challenge, and that is the promotion of defense itself. Every mile of line that you have constructed, even though you may not have realized this matter at that time, was a participation in preparation for defense. Widespread availability of electricity has been considered by other nations more military-minded than ourselves as so essential to defense that they have for many years planned rural electrification as one of the military factors. That in part accounts for the high percentage of rural electrification in many countries of Europe. Whether you realize it or not, every time you build a mile of line, you are then making a contribution to defense. The defense agencies of the United States should be in a position, as we sometimes put it, to "plug in" anywhere in the United States, no matter how remote the locality. Furthermore, the availability of this electricity in over two-thirds of the counties of the United States makes possible that decentralization of industry which is being considered more and more seriously by those responsible for the long-run and basic conditions of provision of material for defense. As a matter of fact, you have already been doing something in that line, apparently. Only this morning, Mr. Samuels provided us with some new data that are very interesting. On REA-financed systems, the types of industries found in a recent survey, as compared with those found in a survey a year or so ago, show a 15-percent increase in the types or varieties; a

38-percent increase in the number of industries on REA-financed lines, and a 57-percent increase in the power demand of these industries. While we are talking about it, decentralization is under way.

As another and concluding aspect of this matter for defense, there are some of us who believe that before the problem of the saving of democracies is completely solved, the matter of the supply of processed foods will have become very important. This availability of power in rural areas, this increase in the number of small industries on the REA-financed lines, suggests that there is opportunity for development in the future of small food-processing industries on the spot where the raw materials are provided. You are making ready for that.

MR. SLATTERY: Thank you, Doctor, for your fine and enlightening talk.

Many years ago, toward the end of the Theodore Roosevelt Administration--many of you are not old enough to remember, but old heads like Congressman Rankin, Dr. Person, and myself are--a very unusual play had its premiere here in Washington and afterwards made the circuit of the whole Nation. Wise had the leading part, but it had as one of its young stars, Douglas Fairbanks. It was a gala occasion. I was one of the many who saw that unusual picture of T.R. in the box crying out once in a while, "Fine! Fine!" I am sure many of you have seen the play, "The Gentleman from Mississippi." The whole delegation from Mississippi was there. I remember the imitable Senator John Sharp Williams, and the other men of the Mississippi delegation. Congressman Rankin of that State has been one of the leaders of the Administration's power policies in the House of Representatives. He was co-author, with Senator George Norris of Nebraska, of the bill to create the Tennessee Valley Authority, which contains Section 12 of the present TVA Act, giving to the Tennessee Valley Authority the right to build transmission lines to distribute power and to build additional dams on the Tennessee River. He successfully led the fight in the House to force acceptance of that main provision of the bill in lieu of the bill which had been passed by the House. He succeeded in getting every county in his district connected and supplied with electric energy from the TVA at the yardstick rate, thereby bringing cheap electricity to thousands of farm homes. He is leader of the Public Power Bloc in the House. He has led the fight for rural electrification, and has adopted as his slogan, "Let's electrify every farm home in America." I've taken that slogan from Congressman Rankin's own statement. I now have the pleasure of introducing a stalwart for public power in our day and time and a real Gentleman from Mississippi.

MR. RANKIN: Mr. Chairman, ladies and gentlemen: I wish to thank my distinguished friend, and your able Administrator, Harry Slattery, for his splendid introduction. He is a real soldier in this cause. I feel like a postgraduate in the fight for rural electrification, having been in the fight since before the REA proper was created.

I began the fight back in the Tennessee Valley area in 1933, when, with the aid of the TVA, we really started the present program of rural electrification. When the original REA Act was passed, it limited appropriations to \$40,000,000 a year, and prohibited the REA from serving people who were already served by central stations. It ought to have said, "who 'serve' central stations." I'll give you in the course of my rambling remarks, some of my experiences in overcoming these handicaps.

I presume it is unnecessary for me to talk to you about the virtues of rural electrification. I presume that on that one question we are as unanimous as the Negroes were about taking the sacrament. Back in the Volstead days, in those States that had been wet, legally, before the law was passed, a doctor might issue prescriptions for a man to get liquor at the drug store for his health; and it also applied to ministers who desired to get wine for the sacrament. One morning, down in Louisiana, a Negro came into the office of the county health officer and said, "Good morning, doctor." The doctor said, "Good morning." He said, "Ain't you de county health officer?" He said, "Yes, who are you?" He says, "I is de Reverend Asbestos Jones, pastor of de African Methodist Episcopal Church over here at Briar Ridge." The doctor looked at him a minute and said, "Well, what's going on over there?" "Well, suh," he said, "We is havin' a distracted meetin', and de boa'd sent me down here to see about gettin' a subscription from you to de drug sto' fer some beverage for sacrilegious purposes." The doctor looked at him a minute and said, "About how much do you think you'll need?" He said, "Bout a gallon and a half; de meeting's gwine to close tomorrow night." The doctor thought he would humor the joke a little further, so he said, "Do you know what kind you want?" He says, "Yassuh, we knows what kind we wants. We took a vote ob de congregation on dat yistidy, and de I's was unanimous in favor o' gin." That is about how unanimous we are on rural electrification.

You represent the most important organization connected with this Government, so far as the farmers of this Nation are concerned. And the farmers are the most important element of our population so far as the welfare, stability, and perpetuity of our institutions are concerned.

What I shall say to you will be from experience and not from theory. I don't want to be put in the class of the goggle-eyed

professor who went out to show the farmers how to raise beans according to his program. When he planted them and they came up, the beans came up first. He said he saw his mistake, went out and pulled them up and turned them over. He took his book with him and decided he'd show the farmer how to milk the cow. Flies were pretty bad. Reading along, he noted the book said that if the cow switches her tail, tie the tail to the leg. He misunderstood it and tied it to his leg. She, of course, got scared at the first thing she looked at, tore the fence down, went down through the sorghum patch, and into the creek. When they finally brought him to, he said she hadn't gone fifty yards until he saw his mistake.

I want to talk to you today from a practical standpoint. Agriculture is a way of life. And any man makes a fool of himself who tries to talk downhill to the average farmer. We hear a good deal about the standard of living. People get to talking about the standard of living at the table, and all that happens is they overeat. There are other standards of living besides the physical standard of living. There are the moral, the spiritual, the intellectual, the cultural, and the patriotic standards of living. They are the standards of living we are building up in this great program in which we are now engaged. Every once in a while, I hear some man talk about slum clearance. I don't know why they ever permitted Fifth Avenue to name the rest of the city of New York the slums. We don't call them slums down on the farm; it's just another settlement. It may not be as up to date as the one in which we live, or we may not think so, but we do not call it the slums. If they will take my program for electrifying this country, and provide cheap electricity for every home in every city of America, it will do more toward slum clearance than all the money we have poured into slum clearance up to this time or that we will pour in for the next ten years.

I want to urge you to build these lines now to reach every farm home in America. Men have asked me how far I expected to go with this rural-electrification program. I said, "Just as far with the power line as the Government goes with the draft. Just as far with the power line as the tax gatherer goes." And I mean to do it now, and not wait till this generation of farmers are all dead.

With all the progress we have made, we are still far behind the other nations of the earth.

I don't flinch from the criticism of the power trust. I don't flinch from the criticisms of the holding companies. That vast combination of wealth and power that sprawls over the Nation, reaches down into the pockets of the consumers of electricity and takes from them overcharges of more than one billion dollars a

year--enough to pay for the present defense program in a few years--that outfit cannot frighten me.

When I get through squeezing the water out of them, with the help of President Roosevelt, Senator Norris, and a few other friends, we will have the TVA rates all over this Nation, and will reduce them as time goes on.

These REA lines that are cooperatively owned and not operated for profit should all be exempt from taxation. Now, I don't often preach what I don't practice. A public-power line that is not operated for profit is a public highway, a highway of energy, that takes light and life and hope and relief from drudgery into the homes of the people on that line, and it is just as important as a public road, a speedway up and down which the autoists waste their money on gasoline from day to day. I'm the only man in the Congress of the United States who has put that theory into practice. I wrote to every member of my State legislature, except one or two that I didn't care to waste time and paper on, and urged them to introduce a bill to exempt all these power co-operatives in Mississippi from taxes of all kinds. Sixteen men introduced that bill on the first day, if I remember correctly, and then we went behind the lines and brought so much pressure on them from the folks back at home that they not only exempted them from ad valorem taxes, but exempted them from the sales tax and from the privilege tax; took all taxes off. Up to now, Mississippi is the only State in the Union that has done that, and the reason of it is that nobody has got behind it and pushed it in other States. And we're going to keep those taxes off, because these power lines, if you ask me, are just as important as the highways. If I lived out on my farm--which now has both a power line and a hard-surface road--if I lived out there and you were going to take either one of them away, I'd tell you to take away the hard-surface road.

I want to talk to you about extending these lines to reach the fellow out beyond the pasture, or out on the hillside, across the creek, or over on the side road in the isolated community, which New York would call "slums." We must reach them all--as we do with the draft or the tax book. It is not absolutely necessary that these lines all be economically self-sustaining. An area ought to be surveyed and put into a network to cover the whole county or the whole area at one time. Now, that man out yonder on the hillside is just as much entitled to electricity in his home as the man over here at the crossroads, or near the filling station. Why not take care of the man out here by giving him this little lift, helping him to get a power line to his home, that will enable him to care for himself, and make that home more pleasant and more attractive? Out of those homes are going to

come the leaders of this Nation in the years to come.

I got through a provision to use WPA help on these lines. I got them to use it in my district to cut and peel the poles, haul them to the creosoting plant, haul them back, cut off the right-of-way, dig the holes, erect the poles, put on the cross arms, and stretch the wire. In that way we brought the costs of the lines down, and in that way we reached many hundreds or probably thousands of farmers we would not have reached otherwise. That's in the law today, and I want you to go back and apply it, and ask that it be applied in every section of the United States.

I can talk to you now without prejudice because my district is already electrified. It is true we have farmers we haven't reached yet, but we are going to reach them before we quit. I am interested in rural electrification from a national standpoint. Our first line of defense is the American farm, and our second line of defense is the American farm. If we were to become involved in war and every farmer in America should fail to make a crop, it would be a national disaster. Another thing, don't be so "skimpy" about building lines big enough to serve somebody. We are not building for lights alone. We are building up the rural areas. What do they need electricity for? The first thing, of course, is light, and the next thing the radio, and the next thing, the electric iron. The next thing is the refrigerator. I brought down on my head all the vituperations of the ice manufacturers in this country. One of them said, "You've almost ruined me," just because I had enabled all his neighbors to put in electric refrigerators and make their own ice. Of course, I extended my sympathy to him and told him that he wasn't the first man who had been injured by modern progress, that about the turn of the century there was a man in San Francisco who enjoined another man from running automobiles on the streets of the city on the grounds that it was in competition with his livery stable.

You remember those "good old days," you gentlemen who talk about the "gay nineties."

The next thing, of course, is a washing machine. The next thing, a water pump--running water all through the house. These things can be used ordinarily on a small wire. But many thousands of farmers live where there is no wood, and if they keep running up the price of coal in this contest, and shutting down all the mines, it may be a godsend to rural electrification, because then we will build lines big enough to furnish electric heat. Electric ranges--I have one county that I notice 36 percent of the electric consumers in it have electric ranges. I dare say there were not ten electric ranges in the county ten years ago. These lines ought to be heavy enough to carry not only electric ranges, but

in the South they should be heavy enough to run cotton gins. They should be heavy enough everywhere to run gristmills, sawmills, and planing mills and cold-storage plants.

Let's electrify the country. Don't just sympathize with the farmer. It isn't sympathy he wants; he may be sympathizing with you. But he wants justice, a fair deal, to enable him to enjoy the blessings which the God of nature has provided for him. He doesn't have to read the newspapers and see what is going on in Washington or New York to find out what to think, or how to arrange his daily affairs. Agriculture is a way of life. It is an independent life, the best-balanced life on earth. Give the farmer equal treatment with the rest of us, and he will never complain. That is what we are trying to do through this program of rural electrification.

We want to make every community self-sustaining. In order to do that, we must provide cold-storage facilities in every community of any size. Now, you may think I'm getting ahead of the hounds; but I've been ahead of the hounds all of the time. I started out that way. They all made fun of me when I said I was going to have a hundred million dollars in 1938 for rural electrification. "Why," they said, "under the law you can't get it." I said, "Well I'm going to do like the old maid did when she promised her father if he would will her his estate she would never marry any man on the face of the earth. As soon as the old man was dead and buried, she took her beau and went down into Mammoth Cave and they got married. She said she couldn't get around that promise, but she could get under it." I said, "If I can't get around this crazy provision in the REA Act, I'm going to get under it." So, when they brought in the relief bill under a rule that waived all points of order, then I came in and demanded 150 million dollars for rural electrification. Some of them like to have fainted. Finally, they came back and offered me 25 million. "Why," I said, "that's worse than the other proposition. I'd rather you hadn't offered me anything. If you'll give me a hundred million, I'll compromise with you." They came back and said they had compromised with somebody else for sixty million. I won't even call his name; he's out of Congress now, but he didn't even vote for the appropriation. "Why," I said, "that's the first time I'd ever heard of him in this fight." I am the chairman of what is called the Public Power Bloc in the House, and have been for many years. So I went to the bat, offered my amendment for \$100,000,000, and we beat them seven votes on the tellers, and on a roll call we won by a majority of 120. Then, I set in to get the thirty million they were allowing REA each year raised back to forty million. They had cut you from forty down to thirty--evidently, they didn't want you to have anything but an office force. We raised that back to forty million, which gave us 140 million for the fiscal

year 1939, instead of thirty million. That's when rural electrification really began to hum. Last year, we got one hundred million, sixty million in addition to the forty, and this year the same amount--a hundred million dollars. If I can't get this law changed, I'm going around it, or under it, every time I get a chance, until we reach every farm home in America, or until I go out of Congress.

Now, on the question of these cold-storage plants: I am very intensely interested in that proposition. You can't run those plants on a one-phase wire. You're going to have to wire heavier than that. I was out in Nebraska a few years ago; I made some speeches for Senator Norris, and if he'll run again, I'll go out there next year and do the same thing again. I remember addressing a large audience of farmers and I began to brag on Nebraska. I said, "I ate some of the finest Nebraska beef this morning I ever tasted." They applauded all over the house. I said, "However, it came from Kansas City, and you paid the freight on it both ways." And I said, "I had some eggs for breakfast, real Nebraska eggs; they were fine, wonderful, produced right here on these Nebraska farms, but on investigation I found that they had been on cold storage in Chicago ever since last summer. I had some corn flakes, wonderful corn flakes, made out of real Nebraska corn, ripened in the sunshine out here in this Golden West, but when I looked on the box, I found they were processed in Battle Creek, Michigan."

The same thing is happening all over the South, and all over the West. By putting these cold-storage plants and small processing plants in every community, the farmer can save his produce; he can save his eggs and his meat, his fruit and fish, and vegetables. They will save millions of dollars to the toiling farmers, and make their lives infinitely more pleasant, their homes more attractive, and at the same time build up the community spirit. That is the way our Anglo-Saxon civilization was built. The English-speaking world didn't begin its system of government in London. It began out in the small communities, and gradually built up. That is what we are doing here. We will reach the cities with this civilizing movement yet.

This rural electrification is bringing about the greatest back-to-the-farm movement ever known. Why, I go out here in Virginia. A few years ago, I used to drive along and look at one of those old ghost-ridden houses that hadn't seen a paint brush since Lee's surrender. I said to myself, "I wonder if anybody lives in that place." I came along later and I saw new poles, after we'd got this hundred million dollars, and into that old house I soon saw three wires. That meant they had a range or something that used a good deal of electricity. The next thing I knew, they'd

rebuilt the doorsteps. Then the house was painted, and today you go out there and you see one of the finest country homes that you ever looked at. That's not just here in Virginia alone, but it is happening everywhere this program has been carried out. It is rebuilding rural America, taking the boys back to the farm; they would have stayed there if they'd had the conveniences we are furnishing now. I tell them we are taking to them everything we have in the city except the noise and the city taxes.

Not only that, but the children that are growing up on those farms don't want to go anywhere else. A few years ago, our country boys and girls were rushing through school to get away from home. They now seem to be rushing through school to get back home. They have at home what they wanted, and what they had longed for. We are taking them back there and then keeping our young people in the rural sections where they belong, where they came from and where they want to live, where they will grow to be strong, intellectual, moral, spiritual, and patriotic men and women, to carry on the work and the life of this Nation when you and I are gone.

I want to talk to you now about the price of electricity, the rates the farmer should pay. A few years ago, there was one rural power line in my county, and it was owned by a private power company. In 1933, for 25 kilowatt-hours a month a farmer on that line paid \$4.50. A cooperative association now owns that line, and 25 kwh a month of electricity costs that same farmer \$1.00, and 25 cents of that goes to pay for his line. A thousand kwh of electricity on that line cost the farmer around \$60 a month in 1933; now he can get a thousand kwh a month for \$9.90, and one dollar of that goes to pay for his lines. That may sound like big figures to some of you, but we have many people in my section of the country who use a thousand kwh a month. We are just in the edge of this electric age. The time will come when electric heating will be the rule and not the exception. Reach every home; don't be so particular about the economic side of this fight. You leave that to us up on the Hill; you build the lines. I dare anybody to tear one of them down. I'm like the old farmer down on the Tennessee River was when they were talking about the fight in the courts against the TVA. He stood there and looked at the water pouring over Pickwick Dam, and he said, "Boys, there ain't no use in us getting excited, nobody ain't never repealed a dam yet!" They're not going to repeal these lines or tear them down, either.

Besides, I'm in favor of extending the payment for these lines to fifty years. Why all this nonsense of wanting to pay out in twenty years? One of the first rackets I had with one of my associations was because it paid out in five years. They said,

"What do you want us to do?" I said, "Take that money and build some more lines until you reach these fellows out here on the creek who voted for me for Congress." I said, "I'm not interested in paying these lines out now. Those wires will last a thousand years, they tell me. Nobody has ever tried one, but I have just as much right to guess as anybody." The wires never wear out; the only things that wear out are the poles, and they'll last twenty to forty years. Why not give them fifty years to pay for those lines? Did you know there is not a private power company in America that has ever amortized its debt? They pay it until doomsday--I mean you pay it till doomsday, and in addition to that, you pay one hundred percent overcharge to go along with it. Stretch these payments out over fifty years. As far as I'm concerned, I wouldn't mind making it a hundred years if necessary. I'm not altogether keen whether we ever pay for them or not, as long as you keep them up and pay the interest. I think this Government, as much as it has contributed to other people, could afford to help the farmers to some extent if it would just take the interest off or reduce it down to what the Government has to pay for it.

You have heard that I am wild on this question. Well I'm probably wilder than you heard I was. If I had my way, do you think I'd let this country lag behind Japan on rural electrification? Not on your life. Did you know ninety percent of the farms in Japan have electricity? Did you know that ninety percent of the farms in France, England, Germany, Norway, and Sweden, had electricity before we even got started on rural electrification in this country? Holland and Switzerland have a hundred percent of their farms electrified, and yet with all the battling I've done, and all the battling Senator Norris has done, with all the assistance the President has been able to give, we still have only about one-third of the farm homes in America electrified. If I have my way, before another ten years roll around, we'll have them all electrified.

Now, one word more: I want these farm homes electrified at rates farmers can afford to pay. I have put in more time trying to find out what electricity is worth than any other individual that I know of, and I have come within a very narrow limit. I am prepared to say that we can generate electricity with coal, gas, oil, or water power, and distribute it all over the United States at the TVA yardstick rates, without loss on legitimate investments. I want the REA to build some of these plants to generate electricity with coal or oil. Then, we can connect them up with our great hydro systems and insure the farmers in every section an ample supply of cheap electricity at all times.

We are really getting somewhere now. We are on our way. So far as the farmers of this country are concerned, this is the greatest program ever instituted or proposed. It is bringing to them a new life, a new day, a new civilization, if you please, the like of which they had scarcely dreamed. We can carry this program forward and lay this power down in every home in America at the TVA yardstick rates, not only in every farm home but in every city home as well; and, as I said a moment ago, that would be the greatest slum-clearance movement this Government or country could make.

When we take this cheap power to these farmers, these people in the rural districts, we will stop the mad rush to the city and augment this movement back to the farm. We will rebuild America, make of it a new America, a greater America, that will go on down to the future, as Henry Grady once said, "holding high the torch and making light the way up which all other nations of the earth must come in God's appointed time."

MR. SLATTERY: Thank you, John. Now, to the men and women of the Rural Electrification Administration, to our coworkers in Agriculture, to our friends here with us today, I have the great pleasure and honor of introducing one of the stalwart friends of REA from the beginning, and one of the real friends of rural America, Mrs. Roosevelt.

MRS. FRANKLIN D. ROOSEVELT: I'm very glad I got in in time to share a little bit of the last speech, because all I've come to do is to bear a tribute to you, as I think, of course, that you are carrying on one of the greatest programs in the Administration. I think my husband would like to be here, instead of having me here, as he is always so interested in anything that I can tell him if I go out into the country, about this particular program. I can't help feeling that you have made more difference in the lives of men and women in rural areas in this country than any other program in the Administration, with the possible exception of Farm Security. I feel that everywhere you go where there is a new line put in by REA, you find the people enthusiastic about what it means to them in the difference in living conditions, and very often in farming conditions; and that's about the best tribute that you can have.

Just yesterday, I happened to be looking at two housing projects on the edge of a city, and while I know that you can't be held responsible for cities, I wish that you could, because in both these projects, when I went in, I found that they had coal stoves and ice boxes for which they had to bring in ice every day. I inquired as to why they were doing this; the answer was that the

rate for electricity was too high for the income group that the housing project served. I couldn't help thinking what a difference it would make if that rate would come down, because the little houses are going to be much hotter in summer; they're going to use far more ice in summer. A great deal of discomfort will exist in the lives of those people because they can't afford electricity in their houses, except for lighting purposes. Of course, it happens that the power company there is looked upon with a certain amount of kindness because it contributes to many things which are of value in the community, but, fundamentally, the things that are done are mostly charitable things, and the people aren't helped in a way which will mean that they can help themselves.

I've come to believe more and more as I go out through this Nation, that now, this minute, we are making in the world the decision of whether we will go on in a world where people make their own decisions as to what they want. Through their form of government, they must decide how they will live, and whether they will control their own lives. That seems to me to be the fundamental thing that is being decided in the world today, and in everything we do I think we have to weigh whether in doing it we're building up the independence of the men and women of the United States, and the ability to do for themselves, not just to accept kindness from other people. That's the big thing that is being decided in the world today, and I think the program that you have worked with is probably a big part of national defense, because the best national defense we can have is an understanding on the part of all of our people of what it is that's being fought out in the world today. If they understand it, they can make a decision as to where they themselves stand. That's all-important to us today, for young and old.

It's vastly necessary that we know why we believe in democracy, and what we want democracy to do. There are varying kinds of democracies and we have to know how we're going to shape ours in the future. Out of our troubled present, we must help to shape the future of the world, because we, whether we want it or not, have a great responsibility for what the future of the world is going to be. You can't have a great deal--and in resources we have a great deal--and not have also a great responsibility, and so we want to be very clear as to what we are trying to do through our government, in our democracy what kind of democracy we're building. I believe we're trying to build here a people that can govern themselves and that can decide what they want for themselves all over their great community of the United States; we understand that democracy must bring something of value to every individual, that it can only be done by cooperation, by

working together in the interests of the whole community of the United States. This program of yours has done a great deal, I think, toward making people able to stand on their own feet and look at the world as a whole and say, "We know what we want, and we know where we want to go, and we're going to create conditions which we want in this country, and, if necessary, we're going to take our share of responsibility so that in the future the nations of the world will march side by side with ours."

I think that I can wish you all great success in your work, and congratulate you on what you've done already, and may you go on making life better for all the people of this country. Thank you.

MR. SLATTERY: After that very inspiring talk, I will end this with the old expression I very often say, "God be with us till we meet again."

GENERAL SESSION

DEPARTMENTAL AUDITORIUM

1:30 p.m.--April 18, 1941

Honorable Harry Slattery, Administrator, Rural Electrification
Administration, presiding

Honorable Grover B. Hill, Assistant Secretary of Agriculture

Honorable M. L. Wilson, Director, Extension Service, Department
of Agriculture

Honorable Gifford Pinchot, former Chief Forester, former
Governor of Pennsylvania

MR. SLATTERY: We have started at this early hour because of the so-called staggered system. Some of our distinguished guests have not come yet but the time is moving on. It is a great pleasure again to speak to you. I know many of you really got a thrill out of the housewarming Wednesday evening. About four thousand people were our guests, and that for REA was an historic occasion. We certainly "lit the town up." As a matter of fact, I heard that out in Virginia, on those old forts over there, you could see the light of this REA building dimming the Washington Monument and the Capitol. It was an unusual event, and carries forward this really remarkable record that REA has made for the past six years of doing things unusual. I won't come back to the remarks of other people, but the record spoke for itself in Dr. Person's progress report. I should like to present one or two aspects of things that are not exactly in the line of cold figures and facts such as were presented. I understand that all of the regional conferences have been very helpful. I regret I have not been able to attend all of them--a few of them I have been able to attend. I know that the discussion in these meetings will be of assistance to those in the field when they get back on the firing line.

During the past year, some of the things that have happened are milestones in the REA record of progress. I understand that we have had our movie, "Power and the Land," in 2,300 houses throughout the United States, and probably somewhere in the neighborhood of three to four million people have already seen it. I know it must have thrilled all of you to see this REA movie, which came near winning the cup at Hollywood--they decided, I understand, not to give it to a Government film. But it was undoubtedly the one to be selected. The men and women who worked on that movie must feel a lot of satisfaction because of their part in this production--with voice and with music--that makes such a fine presentation of the fundamentals of the rural-electrification program.

The building is another thing I think we can all feel proud of in the years to come. I said the other day, we jumped the gun on the building for fear some of the other national-defense agencies might edge us out. But I suppose possession is nine-tenths of the law, and we're in the new building, which, of course, was originally built for REA.

Another significant thing that happened in the year past is the fact that we were fortunate enough to be accredited as a national-defense agency. Also, the Congress has smiled on us, in these days when they are cutting the appropriations of many of the agencies in Washington that are essentially on the domestic front.

We shall hold our fingers crossed on this because the law has not yet been enacted by the Congress.

It is a pleasure to have Mr. White, the Solicitor, and other distinguished guests with us today. I should like Mr. White to stand up a minute for an introduction. I hope he will lend what support he can to have this law enacted. (Mr. White stands.)

I know many of you have had a thrill being in Washington at this time and seeing the Capital City in its best bib and tucker. I am glad the weatherman has been so kind. Although he turned on the heat, he also brought on the flowers--the great beauty of Washington. You doubtless have seen other colorful conventions here. I know it has put some of you to inconvenience because of the crowded condition. I think Washington is a little bit now like this favorite story of the late Senator Bob LaFollette. Brignolli, the great Italian tenor, the Caruso of his day, was singing in the Dublin Opera House in "Faust." When the time came for him--after he had beguiled Faust--to return to the lower region (somewhat like the heat we've had here lately), he started, but the trapdoor didn't work. Brignolli, not being like most tenors, but being extremely large and of pretty good size, got stuck. He could not go to the lower region, and neither could they bring him back to earth; so there was naturally a moment of unusual disturbance until one wit in the Dublin Opera House gallery hollered out, "Begorra, the place is full." Washington, in the many, many years that I've been here, has never had so great a crowd as it's had this year. I know you've all enjoyed being here.

I want to emphasize one more thing, and that is that the REA has started during the last year an unusual plan of having the co-op superintendents come to Washington. I think that has been a fine measure. It has brought them here under Mr. Winder, with Jack Levin as his impresario. We have had some really helpful meetings, and I think that they are going to do a great deal to bring the co-ops into a situation that will work distinctly toward the advantage of the organization.

But I must skip along rather hurriedly. You know all the fine effort that Charlie Falkenwald has made. He is coming forward on his plans, which I am sure many of you saw the other night. Some critics think he didn't put his best foot forward on some of that. But he told effectively the story of his work, and, after all, that is the important thing. His self-helps, I am sure, are going to be a new venture in this whole world of co-operative endeavor. I know you have heard of the fine record of Mr. Thaxton's division--that it is really getting engineering

down to a new fast pace, which is a feat in the engineering world that is unusual. Mr. Marion in Finance has moved forward with the new auditors we are securing, and the new plans are well under way. I'm sure I can say that REA during the last year has made great progress in the auditing and fiscal section. In our Information Division, I am sure you men and women know the new innovations that have been brought forward. You will all agree that the REA News is probably at its highest peak. In the management end, you men in the field of course do not touch it as closely as we do in Washington, but Mr. Wilson has worked out in the building itself new plans that are unusual in many ways. I think the way they moved into the building under Mr. Sette--with the plans laid out in advance--was really something which the Army could copy, because in about two or three days we were in that building. Those are the high spots of endeavor in our divisions. I think one thing is true, and that is, since the organization is concentrated in the new building and not strewn around Washington, we shall bring forward better effort and better endeavor.

I come to a part of the program that gives me exceptional pleasure--that is, to introduce Assistant Secretary Grover B. Hill, who I know has been one of the sincere friends of REA from the beginning. From Texas, where REA has moved all over the map, he comes, and I know that he sees directly the benefits of REA. He starts off with advantages over other people. I like to tell of one of them involving his name, Grover. When you mention Grover you can't help but think of a President who, as time goes on, history will show was one of our unusually able Presidents. He was a big President in every way, and he was a very unusual man; so when you hear of Grover, you start off with a good, wholesome feeling. I think one of the best stories told on President Cleveland is in one of the biographies of Mark Twain. Mark Twain was given a special dinner by President Cleveland. His wife, knowing how absent-minded he was, told him that she was putting something in one of the pockets of his dress suit, and she hoped that he would remember to look at this note she had written. So Mark Twain went to the White House to the special dinner, and he sat on the right hand of the President. The first thing, he put his hand in his pocket and brought out this memorandum. So he said to President Cleveland, "I want you to do me a favor. I want you to send a telegram to Mrs. Clemens, and I want to write it right now and have you sign it." "Well," Cleveland said, "now wait a minute here, Mark. The Secretary of State might ask me to sign a document, but I'd better watch you." The memorandum to Mark read, "Do not wear your galoshes or forget your white tie." So Mark wrote this to his wife: "He did not forget. He did not wear his galoshes. He wore his white tie. He forgot nothing."

But Cleveland took the telegram and said, "Well, I'll sign it, but I'll improvise on it." So Cleveland wrote, "He did wear his white tie. He did not have his galoshes on, but he had his pants on."

Secretary Hill comes from what I like to call "the cow country," and you people who come from that section of the West know that it is a remarkable section. In the early Forest Service days, I worked with the old Grazing Division, and when I was Under Secretary of Interior, the Grazing Division was there in Interior, assigned to me. I believe men who come off the range in this country are the salt of the earth. I introduce to you now a man who really is, both to the Department of Agriculture and to the friends who have known him throughout Texas and the country, the salt of the earth. Secretary Hill.

MR. GROVER B. HILL: Ladies, gentlemen, distinguished guests: It's going to be awfully hard to live up to that introduction, except that part about Grover Cleveland having his pants on, because I can sign that kind of a telegram myself. I know this tall story compared me with Cleveland because Cleveland was a big man physically. I really enjoy being big physically. I've enjoyed my food. People are always giving me some idea about dieting to take off some of this weight. It cost a lot of money to put it on there. But if I thought I could have as much fun taking it off as I had putting it on, I'd try that.

Things don't work out just the way you want them. There are always a lot of disappointments. Coming from out in that wide-open country, I don't comply or fit in with rules very well. It seems to me that everything I want to do is either unlawful, immoral, or fattening.

I'm delighted to be here today with you people, and, Harry, I want to congratulate you on having a very wonderful-looking group of people. Beautiful women, fine, and--well, I won't say good-looking men, because I see a few of the boys from Washington down here that wouldn't qualify on that. But really fine, American-looking people.

It's fine to be with you people that work one of God's richest blessings, hidden from us and the people for centuries, but there all the time. It ranks along with air and light and water that we didn't have to hunt for. We had to search for this. It seems to make it all the more wonderful that we had something to do with finding it and harnessing it to man's use and benefits. I think the first time I ever came in contact with electricity was when I sat down on a wire where some fellows had a shocking outfit fixed up. I've been impressed with it ever since.

I've told some of you before that I've come in contact with it out on the range where the lightning, the natural electricity, reaches down from those storm clouds to the ground in great, forking, crooked lines that appear to be looking for somebody, and you always feel maybe it's you that it is looking for. It's the time when a man feels the most humble, the smallest, and the most helpless. He realizes that he's just one of God's creatures then, and that he's very small, but then when you see it harnessed and doing the wonderful things it's doing, you forgive it for the scares it threw into you out there on the prairie.

The boys around the herd, of course--cowpunchers, not getting to go to Sunday school very much--are given to using a great deal of rough language, and on occasion, as M. L. Wilson can tell you, do a good deal of swearing; but there's mighty little of it going on when the lightning's playing around on the horns of the cattle. It's a good deal like the story of the preacher who was on a boat and there was a great storm at sea. He went and asked the captain if there was great danger, if the boat was liable to sink. The captain was busy and said, "Go up on deck, and if the deckhands are still swearing, there's little danger. If they're quiet, there's grave danger." The preacher went up and listened for a moment and he said, "Well, thank God, they're cussing yet."

I've thought a great deal lately about this wonderful organization. It's gone far under the able leadership of Harry and the men associated with him--an organization that is very young and new, starting from scratch and untried. It has spread across this continent at such a terrific rate until today, I understand, you're the second-largest distributors of electrical energy. That's come as a great blessing. You can't tell exactly why that's come at this time. There's perhaps never been a more important time in all the history of our Nation that this should be so. Of course, we didn't have that in mind in promoting this. I don't suppose anyone did, but the fact remains that it's one of our greatest national-defense measures.

Over in Germany, they've worked, and may be a little ahead of us. Yes, they are a great deal ahead of us on distribution of electricity to the rural people, and it's enabled them to build small plants and units of plants on a small scale scattered throughout the entire country, making the bombing of plants that would put an industry out of commission almost impossible. We're in a shape to do that, thanks to the work of this organization, Harry. There's more electrical energy in existence many times over than there's ever been before.

Three years ago, I read an article which pointed out that we had three or four times as much energy or equipment to generate it

than we could possibly need for the next fifty years. And all of you know that we're looking for more. We're building more dams. We've used up practically all that we have. We need more every day. And there'll never be a time when we need it as we're going to need it now and in the immediate future.

It's a fine thing that it got under way before this trouble came on, before there were priorities on aluminum and copper. The fact is, it has stimulated production of those two very, very necessary metals. But for this movement, we wouldn't have so many plants and factories that are turning out those metals today, and it's a great blessing, Harry, that that came about at the time it did.

It's always a great pleasure to me to have the opportunity of visiting and talking to you people that actually make this machine go--you, the people that contact the individuals out in the country, you ladies that demonstrate to the housewives the way to use these different appliances, and you men who are instructing the different people about the way to handle electricity and the dangers connected with it and the safety methods. You've got a wonderful work, and every one of you should be proud and happy to be connected with the work that has such wonderful possibilities and is accomplishing so much as you go on.

Now, we've had electricity for a long time; we've done many wonderful things with it, but we've never done a more wonderful thing with it than you people are doing, making it available to the rural people. I've told this story before. Some of you have heard me tell it, but it appeals to me as I go down into the country, and in some of the very poor farmhouses I see the good women using this electricity, with their irons, their washing machines, and their churning, saving them the drudgery that once was theirs.

One reason that this strikes me so is that when I was a boy out on the frontier where we didn't have any help, there were five of us boys in the family and I was the second. My older brother helped my father with the cattle, and I had to help Mom in the house. Don't get me wrong; I didn't do it willingly, but she had a system of government that caused it to happen. One of my chores was to churn, and I didn't like that chore a bit. I sat there with that old dasher, beating it up and down and thinking, "In the name of goodness, will this butter ever come!" I insisted on pouring some hot water in it which would raise the temperature and make it come sooner, but Mother wanted yellow butter. The only time I'd get to pour that hot water in would be when she'd step out and I'd do it while she was gone, and then the butter wouldn't be yellow, and I'd--well, I'd wish I

hadn't done it. Long after I was married, I ran into one of these electric churning machines. I said, "Right here's where I get even with this churn," and I bought that thing. It ran the dasher up and down, and I used to get a great kick out of sitting there watching that churn do the work I'd done.

We used to get up, put the water on before breakfast, wash all day long, and bring the clothes in at sundown. Mother would iron all day the next day over a hot stove. It was real drudgery to keep the clothes for five boys. But today, you see them get up, have their breakfast, and put their washing to work, have it out by noon, and ironed that afternoon. You can sit down to do the job. That means a lot to me, and it means a lot to those people who have to do it. It's helping to raise this standard of living that we hear so much about. And it is electricity in the home that makes possible the radio and the electric light.

It is all so wonderful and new, but, now, you don't have an easy, smooth road. In the first place, there's no one who has traveled it before to smooth it for you. The pioneer always has a rough road. The fact is, he doesn't have any road at all. He makes it as he goes along. When you started this movement, it was a declaration of war against well-entrenched interests with money and power, and one of the great mysteries to me is how you have succeeded so well.

It's a great compliment to you people in this audience that you've done your work so well in the field, that it's met with such popular approval. The people have continually told their Senators and Representatives about it, and they have backed up this organization. We wouldn't get anywhere without the backing of those men over there who have taken the brunt of the battle and furnished the money to keep running and to keep expanding--more money than they ever dreamed it would take when it started, because nobody could have conceived that it would grow so fast. This Nation owes a great debt of gratitude to those people. They, in turn, feel very kindly toward you people who have made their dream a success.

Now, Harry, I'm not going to take up any more of your time. You've really got some speakers here to hear from this afternoon, but I do want to tell you again how happy I am to have the privilege of looking into the faces of the people from out on the firing line who actually get the job done. Thank you.

MR. SLATTERY: Mr. Secretary, I know I can thank you on behalf of all the members of REA for those fine words. And I know we in REA will always believe, as I said in the beginning, that we have a real, genuine friend in Grover Hill.

Before I introduce Dr. Wilson, I'd like to bring to you something that was in my mind when I referred to the other groups in REA. But as a lawyer I left the legal end by itself because I wanted to make a special plea. I want to say that in my opinion the REA legal staff--and I want Mr. Nicholson to stand and take a bow (Mr. Nicholson stands)--has been one of the fine things in REA because in the final analysis, we have to live under the law. The REA Act was passed, and it was so many words cold type; but it was the will of Congress, and Mr. Cooke was wise in selecting Mr. Nicholson, who was fortunate in obtaining, in my opinion, a legal staff that in my experience is second to none in Washington. He has had a group of young, zealous, devoted men. In the cases throughout the country and in cases in the Federal Courts, they have a record that they can all feel proud of because REA has not lost a major legal battle. That could only come through devotion of the men under Mr. Nicholson in interpreting the laws under which we operate, and in carrying on the many legal cases in the courts and before Public Service Commissions throughout the country, which, at best, is a difficult task.

Most of us in this audience know Dr. M. L. Wilson, who is the Head of the Extension Service in the Department, and who, in a very real sense, is the generalissimo of our friends in the field--the county agents. I know without the county agents and their aid, we never would have been as close to the people out in the rural districts as we have been. They have helped us--you men and women in the field realize that well. So, when I say that M. L. Wilson is now really the head of the Extension Service, I say that REA is going forward to better things because of that relationship. I won't mince words when I say that sometimes in the past there hasn't been such a good relationship; in the old days, some of the Extension Service was a little too close to other interests, but I know it is changing rapidly under M. L. Wilson and will go to greater heights.

I tell a story which I think is "pat," in a way, of M. L. Wilson. When, years ago, we first came to Washington and we were together over in Interior, "M.L." was then the head of the Subsistence Homestead Division--which one of the messengers called "Persistence Homesteads." I then came to see that here was a man with unusual vision who would make a contribution to agriculture in America second to none. I have said before, and it is true, that M. L. has been a great factor in bringing, in the last several years, a new day to American agriculture. The men and women in the Agriculture Department must be proud of the great work they have done for people in rural America. Many of you who look back on the situation in agriculture a few years ago realize it was, indeed, a dark day. Prices were at the lowest

ebb in the history of the country, and the American farmers seemed to be really on the road to peasantry. With new principles and ideals, agriculture in America has materially advanced during this Administration, and M. L., who became the Under Secretary of Agriculture, appointed by then Secretary Wallace, was a factor in shaping the many plans that worked toward the new day in America's agriculture.

Because some of our speakers are late, M. L. won't object if I read something that I think fits in right now with him, before I introduce him. It comes, I understand, from one of our REA co-ops, and was put in the Congressional Record. Its title is "I Am The Farmer."

"I am the provider for all mankind. Upon me every human being constantly depends. A world itself is built upon my toil, my products, my honesty.

"Because of my industry, America, my country, leads the world; her prosperity is maintained by me; her great commerce is the work of my good hands; her 'balance of trade' springs from furrows of my farm. My reaper brings food for today; my plows hold promises for tomorrow.

"In war I am absolute; in peace I am indispensable--my country's surest defense and constant reliance. I am the very soul of America, the hope of the race, the balance wheel of civilization. When I prosper, men are happy; when I fail, all the world suffers.

"I live with Nature, walk in green fields under the golden sunlight, out in the great Alone, where brain and brawn and toil supply mankind's primary needs; and I try to do my humble part to carry out the great plan of God.

"Even the birds are my companions; they greet me with a symphony at the new day's dawn and chum with me until the evening prayer is said. If it were not for me, the treasures of the earth would remain securely locked; the granaries would be useless frames; man himself would be doomed speedily to extinction or decay."

It is from one of our REA co-ops in Minnesota--a man who is just a member. Those fine words fit in the frame of a man who has done great things for the farmers of America--who has done great things for America--Dr. M. L. Wilson.

DR. WILSON: The Extension Service probably has as close or closer natural affiliations with the A.A. than any other organization in the Department of Agriculture. Your general objectives and our general objectives are very much the same. Then, too, it so happens that Harry Slattery and I have been very close friends for a long, long time.

When I first heard of Harry Slattery, it was away back when the idea of conservation was beginning to take hold and to come to grips with some of the big conservation problems in this country. Since those days, I have known of Harry Slattery, and I have known of the valiant type of aggressive work that he has been conducting for both natural and human conservation.

The objectives of the REA and of the Extension Service are very similar. Your objective is to supply electricity to farm homes so that electricity may lighten the burdens of the household and farm. Our objective is to improve the conditions of farm living and the conditions of agriculture generally through the processes of education. Our activity is largely an educational activity directed at the farm as a producing unit.

Extension work makes available to farmers the latest scientific knowledge on farming methods. Extension work contributes toward the improvement of home life, toward better nutrition, toward better sanitation, and better health. In 4-H Club work, farm youth becomes imbued with the spirit of cooperation; learns farming by actually taking part in farming projects, such as raising and fattening calves and pigs, raising corn, canning, and making clothes, and learns how to live a worth-while life. Extension work thus helps in bringing together for farm people the scientific and practical and cooperative sides of farm life. And it helps the young people to climb up the ladder of experience, step by step, so that they may become the useful farm men and women of the future.

In 27 years of cooperative extension work, the Extension Service has had a tremendous effect in molding the attitudes of farm people and in helping them keep adjusted to the practical requirements of modern production and living methods. Extension teaching has provided a basis for a richer and fuller country life and has increased the desire for higher rural living standards. There are about nine thousand extension workers--county agents, assistant county agents, home-demonstration agents, and boys and girls' club leaders. Now, since most of these workers are out in the three thousand agricultural counties of the United States, working directly with the people you are working with and engaged in a specific program which Extension

has long tried to promote, the Extension Service naturally feels that we and the REA are closely related. In the past year, Mr. Slattery, on behalf of your agency, and I, on behalf of the Extension Service, have considered plans and formulated some policies that we hope will permit the Extension Service to be of greater assistance to you in your work.

There are a couple of phases of Extension Work as related to action programs like rural electrification, which I should like to mention to you. One is that, when this work was started seven or eight years ago, the idea was that Extension education should be directed toward the practical and scientific side of farming, such as the kind of fertilizers to apply to soils, the kinds and varieties of plants and animals which do the best under specific conditions, and the kinds of things which specifically go on in the farm households of the country. As time went on, the theory of agricultural education in that respect changed. It has changed somewhat from what I would call a compartmental, or single, point of view to a point of view which considers the problem of the farm family and the problem of the farm as a whole. All the processes and all the ways that have to do with farming, with farm living, with the business of the farm, with the relation of the farmer to the other elements of society--all these things are in a way interrelated. They mesh together and make a kind of machine in which, if one cog moves, all the rest of them move a little, too.

I can cite an illustration of that. We have a project that our home-demonstration agents have been largely instrumental in carrying on. We call it "farmstead beautification." Now, you know, that has to do with planting some rose bushes and some ornamental plants over in a corner of the yard. Maybe there's an old, tumble-down fence there that needs tearing out. Maybe it is necessary to get some grass seeded here or there. Perhaps the back yard needs some bushes.

Farm women in the past ten or fifteen years have taken up that project with great interest and have welcomed the assistance given them by home-demonstration agents. I think that if we had a comparative study of projects aimed at determining which project was most widely used and gave the greatest amount of satisfaction to the greatest number of farm people, we would find that "farm beautification" would rank very high.

We do not, of course, have specific projects of this type concerned with methods of feeding hogs, or fertilizing soil, or feeding dairy cows, so we have no way of making comparisons. But it is safe to say that many farms on which "farmstead beautification" has been a project have also witnessed improvement in the

raising of hogs and other productive phases of the farming enterprise. The reason is that when the farmyard was fixed up, with a little landscaping here and a little beautifying there, a change took place in the life of the entire family. There was a loosening-up that brought new incentive and new strength of personality. There was improvement even in the ordinary jobs such as raising hogs.

Thus, you see, we are coming to a point of view in which, from an educational or operational angle, we may be concerned with one phase of the so-called farm problem without being able to foretell precisely where the most good will be accomplished. If this theory is correct, it will diffuse itself through the whole of the farm-family living program with ultimate benefits to all agriculture. What you are doing in the way of getting electricity into the rural homes is likely to have effects similar to those of the "farmstead beautification" projects of extension home-demonstration work. You are doing something which changes people, changes the personalities of people, and permeates the whole of farm life and country living.

This widespread distribution of electricity throughout the country is going to have a great deal to do with one of our most difficult and perplexing agricultural problems. It is the problem of overpopulation in relation to the productivity of the land, and, in many sections of the country, in relation to the technology of the land. As we look forward to the future of our country, is it best to have a steady and continued and great migration of people from the country to the city? Building up the cities all the time, as Thomas Jefferson said, "piling people up on top of each other"? Or should we look forward to the kind of civilization in which the reverse will take place, and where there will be opportunities for large numbers of families who like to live the rural life, and who like to be in contact with the living, warm, growing earth, and who like to have their own vine and fig tree? Is there a possibility of developing a pattern of civilization whereby we can combine all these qualities, which I think are very deep-seated and very valuable human qualities, with the opportunities of industrial efficiency and of scientific production?

That appears to be the goal--a very much worth-while goal. I think that mankind can live humanly and get the most out of nature on the one hand and science and technology on the other. Right now, we are probably in the beginning of a new chapter, and a chapter in which a great deal of industry will be developed in small, decentralized plants in the country with people living where they can work in the factory on the one hand, and where they can get the joys and satisfactions of the open air and country living on the other.

So the phase of the farm problem with which you are concerned is a very important phase and a very hopeful phase. When I hear and read of the destruction of cities by aerial warfare in Europe, I sometimes wonder whether, in the rapid movement of civilization, we have not reached the peak of the great industrial city and whether we are not approaching a period of decentralization of industry into a more rural-industrial pattern of living.

There are two other problems I should like to discuss very briefly: Science, as it relates itself to the processes of production, to fertilization of the soil, to the breeding of plants and animals, to the processing of foods, has moved forward with great rapidity. New knowledge on better application of science on the farm diffuses very rapidly through the nine thousand extension workers to the six and one-half million farms throughout the country. From the standpoint of our economic organization, we have made a good deal of progress. From the standpoint of electricity, we are making a great deal of progress, as symbolized by the work done by REA. But to me, the two dark spots on the map are (1) malnutrition and (2) rural housing, particularly in the southern part of the United States. Rural housing is far behind the progress made in city housing. I saw a survey the other day of a community in Alabama which was adjacent to a defense plant. The survey was made by an agency entirely outside of the Department of Agriculture. It reported that within fifteen miles of the town where the plant was to be located, fifty percent of the houses were unfit for human habitation according to the standards which were set up for the State of Alabama. Conditions may not be as bad as that in all places, but a great problem exists in rural housing, and a great part of the problem is to get the poorer people on the farms housed in more decent, livable homes.

In the field of nutrition, we are faced with the fact that nutritional science has moved forward at a very rapid rate in the past twenty years. At the end of the first World War, scientists were talking about two or three vitamins. Considerable research had been stimulated by the food problems of the war. Scientists have learned about numerous other vitamins. Our laboratory people discovered new vitamins and, one by one, discovered the importance of vitamins and certain minerals in their relation to diet and health. We now know a great deal in a positive way about the relationship of foods to health and the physical welfare and vigor of individuals.

We know, for instance, that the vitamin B₁, which is called by some the morale vitamin, has a very close relationship to the nervous system. It seems to function in a way which causes the fuels taken into the body to burn out completely and not leave any

clinkers. If there is not enough of the vitamin B₁ in our diet, then certain foods do not completely burn out, and it leaves some clinkers on the grate. I am positive our grandfathers were a whole lot better off than we are from the standpoint of getting the right amount of vitamin B₁. They lived largely on the un-refined foods, and they ate flour that was made in the mill at the creek. About eighty or ninety percent of the wheatberry was put into that flour. When they went to the grocery store to get sugar, they got brown sugar. Maybe it took a chisel to knock that brown sugar out of the barrel, but it was brown sugar, and some of the vital food elements were there. Then, the age of industrial production came along and gave us the refined foods. In the case of flour, popular demand called for a highly refined white flour. But in making this fine white patent flour, practically all of the vitamins and mineral elements were lost. Quite similar is what happened when people stopped eating brown sugar and demanded refined white sugar instead.

Nutritionists feel--and they are backed by a considerable amount of evidence--that all of us in this civilization in which we live have suffered by the intrusion of too much overrefined foods. Even so, farmers are better off than city people. Studies about the diet of families not on relief indicate that, in terms of modern nutritional standards, fifty percent of the farm families and twenty percent of those living in village and city have good diets. On the other hand, about 25 percent of the nonrelief farm people still have very poor diets. The foods they eat and the combination of them are far below the accepted level of adequacy, whereas in the city, nearly 35 percent of the people have poor diets. But it seems to me that all people living in the country--people living on the farms--ought to have diets that come up to the minimum standard.

This is an example of where rural electrification comes in. As I see it, rural electrification will have and does have a tremendous contribution to make in improving the dietary situation of half of the farm families of the country. That will be done in two ways. In many of the farm homes of the country, there is going to be very widely used a little creek mill--a little gristmill. Most of you know about it. That little mill doesn't cost very much. All that the farm family needs to do is to throw on the switch, pour in a quantity of wheat, and out comes the whole-wheat flour just as nature produced it and made it--the flour that has all the vitamins in it, with all the elements that are contained in the wheat germ. It is quite possible that the wheat germ contains elements which are extremely desirable in the diet. By having that little flour mill where all that the mother or the housewife needs to do is to turn the switch

and have the nutritious, freshly ground, natural whole wheat, I think it would make it possible for a great many of the farm people of the country to get much of the vitamin B necessary for their diet.

Another contribution rural electrification will make is refrigeration. As farming is carried on at the present time, much can be done in the preservation of foods by means of canning, but still, with all the educational activity that has been carried on with reference to canning, it doesn't substitute for refrigeration. Campaign after campaign has been carried on to get farmers, particularly in the South, to have milk cows and milk. There is no suitable substitute in the diet for milk. That seems to be the form in which all of us can get some of our mineral elements, particularly calcium. I don't believe that, even if we are to have an age of synthetic foods, any substitute will be found for cow's milk. But you can't do very much with cow's milk unless there is some way of keeping it until it is consumed, and the way to keep it is in the refrigerator. Therefore, your project--rural electrification--taking electricity into the household, is going to modify the practices and the housekeeping of the household, and is going to be a tremendous forward step in changing and improving the unsatisfactory diets of those people in the country who do not have good diets.

In closing, I want to bring to you again the greetings of the Extension Service, and say to you that our people are becoming better acquainted with your people through the land-use-planning activity, which is the planning activity of the whole Department of Agriculture. Our people and your people are participating in that planning process, which aims first to outline the best uses for the land. That is developing also into the utilization of the planning process to meet some of these other problems of agriculture, such as the unsatisfactory diets that I have mentioned. And, therefore, I want to assure you that you folks and our folks have a great deal in common, and we enjoy working with you, and we're going to continue to work that way in the future.

MR. SLATTERY: Thank you very much, M.L.

There is a story about the late Thomas A. Edison that I would like to tell before I introduce Governor Pinchot. When a newspaper man asked the famous scientist, "What is electricity?" Edison answered, "I do not know; I only understand some of the things it will do." "But how do you do it?" the reporter persisted. Edison's voice became even more humble as he answered. "I can't explain it," he said; "it just seems that God has given it to the world to demonstrate His power; I simply take it on faith and go on working every day."

Now, I think that epitomizes in many ways the men who have worked in REA in technical research. We have an unusual technical research division. I think one of the great contributions to science we have made is the carrier-wave system that many of you saw demonstrated the other night. In that connection, I would like to pay a tribute to Mr. Samuel and his people in the Technical Standards Division. I believe additional great things are going to come in the future from that section. This section is assigned to the supervision of Mr. Sette, our Deputy Administrator, who I wish would stand and take a bow. I want him, as an engineer, to work in every way toward the greater development of our technical research in REA. I do not have to tell the technical men, the engineers here, of the great strides that have been made by REA in the technical field; that the whole rural-electrification program became largely possible because of the many innovations that were made by the engineers in REA. I want also to emphasize the valuable assistance Bob Craig has given in my administration of REA. I want to pay a very sincere tribute to him, and I want him to stand and take a bow. Winston Churchill said sweat and blood and a few other things are the determining factors. Bob and myself and others in REA have had at times difficult going in some ways, but I think we all can take it. I know very sincerely that, as time goes on and the whole story is told, a few that are "out of step with Johnny" are not going to affect REA. The devotion of the men and women in REA is not going to be affected because it is greater than any one person or any few people. All the way through, as I said earlier, the men and women in this organization working together have done a great job, and continue their progress. Time is going to show that there is nothing in REA that everyone in this audience and everyone throughout the country, everyone connected with this Administration, cannot be well proud of.

Before introducing the Governor, I want to tell a story on him, and I hope you take some of the things he says with a few grains of salt, because we've been old friends together. Once he took me on a South Sea trip. We sailed to the Caribbean, and, off the coast of Nicaragua, reached the little port of St. Andrews. Nicaragua had lost two or three former presidents, who, in the vernacular, had "lit out by the light of the moon." We went fishing out of the little town. They had been impressed, the local people had, with the warm welcome the Governor and Mrs. Pinchot had given them, and when we were out in this boat one of the natives said, "I hear that American yacht has some people on it from America--big people." He said, "I hear you've got an ex-Governor with your party," and someone remarked, "Yes, we have an ex-Governor of Pennsylvania." But there was another native who was not satisfied. This native wasn't thinking about ex-Governors. He said, "Haven't you got an ex-President?"

The Governor and myself are old friends, and I thought this would be a good occasion to read an old quotation, because of his background and because the Statue of Liberty in New York harbor was a work to which his father contributed in no small way. This old quotation fits him and is appropriate at this particular time:

"It is the 23rd day of August in the year 1793. A coalition of reactionary European monarchies is advancing upon the borders of the young Republic of France. In this critical situation, the Committee of Public Safety of this Nation proclaims, 'All France and whatsoever it contains of men and resources is put under requisition. The Republic is one vast besieged city. The young men shall go to the battle; it is their task to conquer. The married men shall forge arms, transport baggage and artillery, provide sustenance. The women shall work on soldiers' clothes, make tents, serve in hospitals, and the children shall scrape old linen into surgeon's lint. The aged men shall have themselves carried into public places and there by their words excite and encourage the courage of the young and preach unity toward the Republic.'"

I have great pleasure in introducing my old friend, Governor Pinchot.

GOVERNOR PINCHOT: Mr. Slattery, members of the REA: I thought that story was my story. If Mr. Slattery wants it, why, he's welcome to it. I'll just tell another story that happened on that cruise. There was a man came aboard our boat at St. Andrews, and we got to talking. I asked him about a huge shark that was said to be navigating in those parts. "Why, yes," said he, "I was out in a seventy-foot schooner a little while ago, and that shark came up behind. His head was as broad as the stern of the schooner and the fish was longer than the boat." Now, when you hear more stories from Mr. Slattery, remember that there are such things as tall tales.

I want to talk to you this afternoon a good deal about the Forest Service. If you think I'm a little slow in getting at that part of my talk that refers to you directly, just look and see whether I'm not talking about you at the same time that I'm talking about the Forest Service. I'm a forester all the time. I might have been a Governor occasionally, but I'm a forester from Dan to Beersheba and back.

Once in a blue moon, or even less often than that, it happens that a body of public servants is lucky enough to be given a job in which success or failure is of epochal consequence--a job

which is no mere routine, but which makes a real difference both for the present and for the future to the Nation these men and women serve. Such a thing has happened to you. Such a thing happened more than forty years ago to the little Division of Forestry in the Department of Agriculture, the little Division which grew into the Bureau of Forestry and then into the Forest Service.

It was nothing less than the opportunity to protect and preserve by wise use the forests of the United States. Some job. Just as you have some job. These forests occupied about one-third of the land surface of the country. Although they were absolutely indispensable to the permanent prosperity of our people and the permanent success of our democracy, they were being devastated with a speed unknown in all the world before.

When that job was undertaken in 1898, there wasn't a single acre of forest under management in any national forest, and the cases in which the principles of forestry had been applied to privately owned lands could just about be counted on the fingers of one hand. And of those cases, what few foresters the Government had were not responsible for a single acre.

From that small beginning (I made the eleventh member of the Division of Forestry when I joined up) has sprung an organization which is second to none in its high professional standards, its loyalty to the service of the people, and its remarkable accomplishments. Already, something of that sort can be said about you.

Why is the record of the Forest Service, like that of the REA, so outstanding among all Government organizations? I'll tell you why I think it is.

First, because the Forest Service had a great task to do--a really great task to do. Second, because the men and women of the Forest Service realized the crucial importance of their task, and the Nation-wide significance of the organization to which they belonged.

They understood they were doing something that was worth while, just as you are, and, what is not less important, they realized, every one of them--messengers, stenographers, accountants, the directing heads in Washington and in the field, forest guards, rangers, supervisors, and the trained foresters who were doing practical work and by sound investigation were laying the basis for more and better practical work--they realized, every one of them, that they had a real share in this great enterprise--that their share was recognized not only by themselves but by the men

who were over them, by the directing heads. They realized also that they were respected by the directing heads because they did have a share in this great enterprise, because they were doing good work, because they were not peons under compulsion, but partners working together.

And for these same reasons, the men and women of the Forest Service respected themselves and their work. They knew also that their advice and suggestions were desired and that the Forest Service from Alpha to Omaha--from top to bottom--was one body to which they all belonged--one body with one supreme purpose in which every one of them had a genuine and an important part. And those are some of the things that make morale.

And right here let me say, there is one thing that I want clearly understood. I want it understood that the credit for what the Forest Service was and is and will continue to be, is not due to me, not due to the Chief Foresters who followed me. It is due to the rank and file of the Service, to the men and the women who gave the best they had in them for a cause in which they thoroughly believed, and in whose troubles and triumphs they had, and realized that they had, full participation. And that's more important than I could tell you in half a day.

Like the REA, the Forest Service is no clock-watching crowd. In my day, no small percentage of the directing heads of the Service, about this time of year, had to quit work for a while because they had worked themselves to the limit of their strength. That went on regularly, year after year, and I have no doubt the same is true of you.

I want to be on record as saying--and I mean it with every atom of my being--that there never was a finer body of men and women anywhere, anytime, or one that did a finer job, either in public service or in private work, and I have no doubt that Harry Slattery will say exactly the same thing about you.

Some people will tell you that public service can never be as efficient as private business. I say, "Bolony," and "Hooey," or any other expression you like, just so it means nonsense. I say that the product of the Forest Service per man and per dollar had nothing whatever to fear from comparison with the best-managed private corporations, and I have authority for that statement. I have no doubt that Harry Slattery will say the same thing about you.

Also, I want to add this, off my own bat, that the Forest Service was easily tops among the Government organizations of my time. What did it? Why were all these things true? Morale did it--morale grown to full stature under the inspiration of a great

task, acting on what I think is the finest body of men and women that our Government has yet brought together.

Now what is this morale? Well, you know the old saying, "Be sure you're right and then go ahead." That is not morale. Morale says this: "We know we're right and we are going ahead. We have confidence in what we're doing. We believe in it. We're not going to discuss it or reason about it or investigate it; we're going to do the job."

But if you want practical examples of morale, up to the minute, consider the Greeks in Albania. Why did the Greeks win? Because they believed in what they were fighting for and were willing to die for it. And why did the Italians lose? Because they didn't believe and were not willing. Morale made all the difference.

Why did the Australians and the New Zealanders eat up the Italians in North Africa? Why were 150,000 Italians captured with the loss of the British less than one thousand killed? For the same sort of reason. For the reason that the British had confidence in their cause, confidence in themselves, and confidence in their leaders. They had morale. The Italians did not have it, and so they were eaten up.

The history of the world is full of cases where a few men have done great things because they believed in what they were working for, or what they were fighting for, and were willing to put everything they had into the game.

I've always believed, and I believe it now more than ever, that there is nothing so perfectly delightful in this world as being able to put every last ounce you've got in you into a job in which you thoroughly believe. That's luxury at the very top, in my opinion. What good is the man whose heart is not in his work? What good is the soldier whose heart is not with his regiment and with his country? What good is an organization unless it is inspired by a real desire to serve, a real belief in what it is doing, and a real conviction that it can be, and that it is being, of use? If that's not true, the man or the organization is good for nothing except to be cast out and trodden under foot of men. And the chances all are that it will be, too.

Now, to change to a different subject for a moment--and not so very different, either--here and there, as I look back over a long and misspent life, I discover that occasionally I have learned something. One thing I have learned is that the average man or woman working for the Government, State or National, would infinitely rather do good work than bad work. That may seem strange when you consider what bad work some of them do,

but it's true just the same. You give them a chance to do good work, and in my experience 99 times out of a hundred, or certainly nine times out of ten, they will take that chance and do that good work. The average public servant will do good work ninety percent of the time if he and she are given the chance and made to feel that their work is worth while, and that their work is appreciated. Let me give you a practical example of how not to create morale. This is forestry again.

Before the national forests were transferred from the Interior Department to the Department of Agriculture, they were mishandled--mishandled about as badly as it is possible to imagine--by men in Washington who had never set foot in one of them. Think of it! The national forests in charge of men, a whole division of men in Washington, not one of whom had ever seen one of them unless perhaps from a Pullman-car window. Naturally enough, the orders these spinners of red tape sent out to the field were often ridiculous in the extreme. Take this case, for example: A Forest Supervisor, who had charge of a million or two acres of some of the heaviest timberland in the United States--and that was in the State of Washington--was ordered from Washington City to buy a couple of rakes, and with the only assistant he had, rake up the dead wood in their bailiwick. Not a few of the sticks of the said dead wood were six or eight feet in diameter and two hundred feet long. A man couldn't see over it as he walked through the forest. Never mind. Washington says "Rake it up."

Now, this is a true story, and it will give you the idea. Another illustration: A Forest Supervisor in Idaho, perhaps the best one the Interior Department had, ventured to write in and make some suggestions about an impossible order that had been sent to him from Washington. The answer from Washington was this: "It is the business of forest officers to obey their orders and not to question them."

Was that a morale-making utterance? So far as I know, it's about the worst on record as a destroyer of morale, and it certainly, in any case, is close to the worst.

I've been talking, as I've said to you members of the Rural Electrification Administration, about the Forest Service. For what reason? Well, because it seems to me that you, in the character of your work, in the Nation-wide significance of the results you are achieving, and in the devotion of the men and women who are producing these results, come as near to the Forest Service as any other Government organization with which I have been concerned.

Now, if you want to throw things at me because I stand up for my old outfit, go right ahead. I think it's tops. I don't care what you think or anybody else thinks; I'm for the Forest Service.

There is one more resemblance between these two organizations that I haven't yet mentioned, and that is that you are daily facing, just as we were in the Forest Service, some of the most formidable enemies that this country can produce. The Forest Service, in my day, had to fight the organized monopolists and resource grabbers for its very existence. Year after year, they tried to cut our appropriation out entirely. Now, in your day, you are being fought by at least a part, and a highly effective and influential and dangerous part, of that same lot.

You may not remember, but I do, that the Forest Service was the first among all Government agencies in America to undertake and to put over control of the water-power monopolists. We limited the time for which they were given Government property to develop water power, and we required payment for what they got.

It was a pretty fight. It began over thirty years ago, when the standard custom was to turn over to the power grabbers forever and for nothing any Government-owned water power they might happen to want. We fought that fight (and it was no easy fight), and we won.

Today, you are engaged in another battle on the same front--a battle whose importance to the users of electricity, not only among the farmers--and I want to make that very strong--not only among the farmers, but throughout the Nation, is closer and more vital than I can take time to tell.

When I was Governor of Pennsylvania the second time, we went into this power question. We found that in Pennsylvania alone, the power companies were overcharging the consumers, above and beyond reasonable return on their investment, not less than \$30,000,000 a year, and in the United States as a whole, something like \$500,000,000 a year. Up in Pike County, where I come from, they were charging us sixteen cents for electricity. What do you get it to the farmers for? Two or one, or less than one. We were paying sixteen.

You members of the Rural Electrification Administration are bound together not only by a great common purpose of vast importance to the Nation; you are bound together also by a common enemy--an enemy whose effort to break down your great work is a most dangerous part of the efforts of monopolies to control this

country. You are organizing power against power--the power of the people against the power of electricity.

You are doing it in the cooperative way, and cooperation, in my opinion, has a future in this country which it would be almost foolish now to attempt to describe. And, by the way, you may not remember that the first effort, so far as I know, to organize cooperatives among farmers for electric service was made in Pennsylvania. It failed, and I'll give you just one guess as to why it failed. It failed because the electric utilities got their grip on the commission which had been appointed to formulate a plan, and the plan was never hatched. If that doesn't mean something to you, it means a whole lot to me.

There is one more reason why a forester must sympathize with and support the great work of the Rural Electrification Administration--I'd rather say REA; I can say it easier--and that reason is that your distinguished head, Harry Slattery, is himself in no small degree a product of the Forest Service. You may be surprised to learn that the Forest Service is entitled to its share of credit for the great work Harry Slattery and the REA are doing. And this is how it comes about.

Early in 1907, the year when the conservation policy was born, and a year before it was introduced to the people of the United States by Theodore Roosevelt, I met a young man by the name of Slattery. He had been a quarterback on the Georgetown eleven, he had been in the newspaper game, and he was a born fighter. When I met that kind of a man, I went after him because I needed him. The next year found Slattery working under the general supervision of the Forest Service for the Inland Waterways Commission, which Commission was the occasion of the first official declaration made by Theodore Roosevelt of the interdependence of natural resources, and that's the heart of the conservation policy.

The year after, 1909, found this young man named Slattery working as one of the secretaries in my office. I was giving him orders. And I wish to add that in 1910, when I was fired by President Taft for the good of the Service, Slattery remained. You can draw from that any inference you please.

The point I want to make, and I am glad and proud to make it, is that Harry Slattery got his start in the Forest Service. Later, during the first World War, he worked for the then Secretary of the Interior, Franklin K. Lane, and when Ickes became Secretary of the Interior in 1933, I recommended him to Harold, God forgive me.

His history from that day to this, you know. He is my friend. He is doing a great work at the head of a great organization. My warmest congratulations to him, to every one of you, and to the REA.

MR. SLATTERY: Governor, I do thank you, and I'm going to tell one story that relates to my friend, and former chief, Secretary Ickes. When I went to Secretary Ickes, I went from the White House. The President sent me over because I had been connected with him partly through Governor Pinchot in connection with the St. Lawrence Waterway, the so-called State Authority of New York, which Mr. Olds was connected with. I had met the Governor of New York through the Governor of Pennsylvania. They were friends in the fights for conservation and utilities and many other fights on the public's side. So I went from the White House over to Secretary Ickes. When I got there, I found that ahead of me had come a warm letter from Governor Pinchot in which he extolled me to the skies. So he is partly responsible, you see, for my being with the Honorable Harold.

Before adjourning, I want to thank you again, Governor, for your interesting talk.

RURAL ELECTRIFICATION ADMINISTRATION

BIRTHDAY DINNER--HOTEL WASHINGTON

7:00 p.m.--April 18, 1941

Honorable Harry Slattery, Administrator, REA, Opening Statement

Honorable Claude R. Wickard, Secretary, Department of Agriculture, presiding

Honorable John E. Rankin, Member of Congress

Honorable George W. Norris, United States Senator

Honorable Sam Rayburn, Speaker of the House of Representatives

Message from the President of the United States

MR. SLATTERY: You probably noticed that when I cut the birthday cake of REA, the knife went down through the years and ended on 1941.

I wish first to introduce Mr. W. L. Sturtevant, of our REA Recreation Association, and Mrs. Sturtevant. The Recreation Association we have to thank for all the plans of this banquet tonight. I wish Miss Clara Hale would stand and take a bow for this magnificent cake. Even Secretary Wickard sighed that, "After all, REA could bake a good cake." Secretary Wickard has asked me if I would, before he takes over, introduce some of our distinguished guests. I am sure you all know the distinguished guests we have at the head table, so I will not introduce them. I should like to introduce Senator and Mrs. O'Mahoney of Wyoming; Senator Radcliffe of Maryland; Congressman and Mrs. Lambertson of Kansas; Congressman and Mrs. Lyndon Johnson of Texas; Congressman and Mrs. Terry of Arkansas; Congressman and Mrs. Leavy of Washington; Congressman and Mrs. Tarver of Georgia; Congressman Bryson of South Carolina; Miss Blackburn of Mr. Mellett's organization, one of our good friends; Mr. Blandford, of the Budget Bureau, and Mrs. Blandford; David Cushman Coyle; Judge Healy, of the Securities Exchange Commission, and Mrs. Healy; Chairman Olds, of the Federal Power Commission, and Mrs. Olds; Mr. Reid, Assistant to the Secretary; Mr. and Mrs. John P. Robertson, son-in-law and daughter of Senator Norris, our friend; Mr. Morse Salisbury, of the Information Division, and Mrs. Salisbury; Commissioner Scott, of the Federal Power Commission, and Mrs. Scott; Mr. White, the Solicitor of the Department, and Mrs. White.

It is now my great privilege to introduce our Secretary. He is in an unusual position because, among the many people here, he is probably the only real grass-roots member of the REA here. He is a member of Carroll Cooperative in Indiana. I have the great pleasure of introducing Secretary Claude R. Wickard, who, as the years go on, is going to be not only a good member of that Carroll County Co-op, but is going to be a genuine and real friend of REA and an unusually able Secretary of Agriculture. Secretary Wickard.

SECRETARY WICKARD: Harry Slattery, people of the REA, distinguished guests: I surmised that Harry Slattery might call attention to the fact that I was a member of the Carroll County, Indiana, REA, so I thought I had better bring along some rather concrete evidence. I keep that evidence hanging up over in my office in the Department of Agriculture, but I'm afraid that you won't all get in there, so I brought the evidence over here with me.

Here it is--a Membership Certificate, signed by two neighbors of mine--two farmer neighbors of mine--who are officials of my own

Carroll County REMC. Now, I am proud, of course, to be a member of such an organization. It makes me very happy. Mrs. Wickard and I spent last week out on the farm, and enjoyed the benefits of that membership in more ways than just being a member as shown by this Certificate.

When I think of the days, the nights, that I lived on the farm, without the benefits of electricity, and when I think of the millions of farm homes in America today that still do not have electricity, then I am glad to see an illustration of the growth of REA, as brought out by this chart on our dinner programs. That is very encouraging. A while ago, Harry Slattery said to me: "You notice that our growth has been very rapid during the last two years." I said: "Yes, I notice by the chart here that is true." He said: "And you also remember that REA has been in the Department of Agriculture about that long." I began to throw out my chest, and I said: "Yes, I remember that." "Well," he said, "I think that makes it all the more remarkable, don't you?" Well I'm going to "get even" with Harry, by telling some other things he said. When we first sat down, he said to me: "You notice what a clean, bright-looking group of people we have here tonight." I said: "Yes, Harry, I had noticed that." He said: "Most of them are from out of town." We in Agriculture are happy that REA is in Agriculture for many reasons. One of them is that we have the privilege of attending the REA birthday celebration. I don't know why, though, I've never heard anybody sing "Happy Birthday," and I thought I would get Harry Slattery to sing that. (Mr. Slattery leads the audience in singing.) Well, as usual, Harry rose to the occasion. If you'll note, he rose to the occasion back here a while ago when the birthday cake was cut. It seems to me that anybody who had that privilege ought to have to sing "Happy Birthday" on this occasion, so that's why I called upon him. I have been told on pretty good authority that a certain rather prominent lady, who is more or less active, and who travels around over the country at times, said the other day, to a certain group of people, that she thought that REA did as much good, or more good, than any other part or bureau in the Department of Agriculture. Now, I said, I had this on rather good authority, but I believe that if John Rankin had heard that statement, John would have disagreed, even with the woman I'm speaking about. John would say: "No. It's more important than all the rest of the Department put together." So it seems to me that it would be a good time to let John tell his story in his own way. John Rankin.

MR. RANKIN: Secretary Wickard, ladies and gentlemen: I certainly thank you, Mr. Secretary, for your kind expressions of friendship, which I assure you are reciprocated.

I have just now found out what was wrong with the Department of Agriculture, and what a wonderful thing it was when we put the REA into it. They were in the same trouble that the old darkey was who got lost in a thunderstorm one night and undertook to run the path by the flash of the lightning. He wasn't getting along very fast, and the storm was getting worse. He didn't know what to do, so he finally decided he'd better pray. About the time the notion struck him, the lightning hit a tree pretty close by, and shattered it to splinters. He dropped down on his knees, and said, "Oh, Lawd, I reckon you know what you is doin'; I'spect you knows more about what's best in a case like dis than I does. But if it means all de same to you, I'd be powerful glad if you'd give me less racket and more light."

I'm delighted, of course, to be here tonight on this great anniversary, when we have coordinated the forces that have been gathering for the last forty years, and are now moving forward in the greatest development of ancient or modern times. Before I go further, I want to call your attention to the fact that we have on my right our distinguished leader in this fight, Senator Norris, of Nebraska. In his devotion to this cause of humanity, he has stood as "constant as the Northern star, of whose true fix'd and resting quality, there is no fellow in the firmament."

He never flickered in his life until now. Now, he threatens to run out on us and not run for reelection next year. Well, young man, we'll not stand for that. We're going to draft you. This is an emergency, and we don't want to hear you bringing up any objections or exemptions. We can't afford to lose you now, when this great movement is going forward and when the American people are looking hopefully to the day when we'll enjoy a real electrified America.

I also want to pay my tribute to these leaders in the REA for the great work they have done, the splendid program they have put over under Harry Slattery, the distinguished Administrator, and Bob Craig, the Assistant Administrator, and all the others all the way down; I could name them by the dozens. You have rendered the greatest service the farmers of America have ever received. We are coordinating the forces and the agencies that are working for the development of the natural resources of America, and placing them within reach of the masses of the American people. Among those agencies is the Federal Power Commission, that is doing the greatest work today in all its history, under the leadership of our friend, Leland Olds. And with their help, with the leadership we now have, and with the help of Senator Norris, and others, by the grace of God, we'll save the water power of America for the American people.

I'm glad to note also that the Securities and Exchange Commission is catching the step. Somebody said it was developing into a glorified stock exchange. I deny that. It is now waking up and beginning to enforce the Holding Company Act. Of course, I don't see why we should have found these vast holding companies guilty as charged eight years ago, and sentenced them to death in 1938, then attempt to apply the sentence in 1941, and give them an extra year in which to die.

That reminds me of Percy Quin's Negro client. Percy Quin, a former colleague of mine in the House, said that when he was a young lawyer, a Negro came into his office one day and said, "Mr. Quin, ain't you a lawyer?" He said, "Yes, I'm a lawyer." "Well," he said, "what will you charge for defending me for killin' a nigger?" He said, "My usual fee is \$500." He asked, "Does you want the money now?" He said, "Yes, I always collect in advance." To his surprise, he said, he pulled out a great roll of greenbacks and counted out \$500. He counted it twice to see if he wasn't dreaming. Then he entered it on his book, wrote him a receipt, and leaned back in his seat, and said, "Now, tell me, when did you kill that nigger?" He said, "I'm gwine to kill him tonight." Of course, he shoved his money back to him and ran him out of the office.

I'm not in favor of waiting any longer about executing these useless holding companies, so I appeal to the Securities and Exchange Commission, "Let's kill 'em tonight." Let's put an end to these vast holding companies that sprawl over the Nation and racketeer in watered stocks, piling upon the American people overcharges for electricity that now amount to more than a billion dollars a year.

I can sympathize with the farmers of the West in their demand for the development of the St. Lawrence Inland Waterway. One of them just said to me today, "It would save us ten cents a bushel on every bushel of wheat, amounting to more than \$50,000,000 a year." He said, "It would save us \$50,000,000 on our cattle and hogs, and other produce."

I can sympathize with the people in New York, and in New England because I've examined the figures, and I find that in the six New England States, they are paying overcharges for electricity amounting to \$97,000,000 a year. In the State of New York alone last year, they paid overcharges amounting to \$183,000,000, making in all in that area overcharges amounting to \$280,000,000, or enough to pay for the St. Lawrence Inland Waterway in one year.

I can sympathize with the people of Georgia and South Carolina who are demanding the development of the Clark-Hill project on the Savannah River. When I investigated it, I found that within the radius of that dam, the overcharges for electricity last year were more than \$20,000,000.

I can sympathize with the people of Texas and Arkansas, and especially of Arkansas, when they demand the benefit of their streams and the distribution of power at rates based upon the cost of generation, transmission, and distribution, because last year the Arkansas Power and Light Company bought more than half the power used in Arkansas at 2.7 mills a kilowatt-hour wholesale, or less than half what we pay wholesale for power developed on the Tennessee River. And yet the people, the ultimate consumers, of Arkansas paid overcharges of \$6,000,000 for their electricity last year.

And in the State of Texas, although the Texas Power and Light Company has recently offered to sell power at wholesale cheaper than the people in Macon, Mississippi, buy it from the TVA, yet when they retail power to the people of Texas, the rates are so high that the people of that State paid overcharges amounting to \$35,573,000 last year, compared with the retail rates in Macon, Mississippi. Measured in terms of cotton, the chief product of the South, this would amount to the price of 2,700 bales of cotton, on an average, for each and every county in the State of Texas.

I can appreciate the position of people in every section of the country, and especially along the Columbia River, who are demanding that we develop the water power of this Nation and distribute it at rates based upon the cost of generation, transmission, and distribution.

We have just gone through the hearing on the Enfield Dam on the Connecticut River, near the line between Connecticut and Massachusetts. There never was a place on earth that needed a yard-stick worse than those two States, and if I have my way, they're going to get it. I found that the Connecticut Power Company last year bought 312,000,000 kilowatt-hours of electricity at wholesale for five and one-quarter mills a kilowatt-hour; but when it was distributed to the people of that area, it was at rates that meant that the people of Connecticut were overcharged \$20,000,000 a year. The people of Massachusetts paid overcharges for electricity last year amounting to \$51,000,000. Where does all this money go? It goes into the pockets of those who are reaching down through these vast holding companies, useless, as I said, that sprawl over the Nation and suck the economic life-

blood from the American people. They reach down into your pockets and into the pockets of every other power consumer, and take toll to which they are not entitled. We are striving to stop these abuses and to give the American people electricity at what it is worth.

Many years ago, I started the drive for rural electrification in my home district. The program we now have was started in my district under the auspices of the Tennessee Valley Authority, one of the greatest organizations of its kind on earth. I do not hesitate to say that the TVA has wrought the greatest single development of modern times. In addition to its physical developments, it has furnished a yardstick by which we have already broken down light and power rates almost a billion dollars a year, and we have another billion to go yet.

As I said, I started in to try to electrify the farm homes of my district. The TVA snapped into it. We began to build rural power lines. Today, I am glad to say that I am out of the woods, and out of the dark. Every single one of the ten counties in the district is threaded with rural power lines, and the private power companies do not own a single insulator in the entire district. Therefore, they are getting electricity at what it is worth--at the TVA yardstick rates. We have not reached them all yet, but we are on our way. What we are doing there we hope to duplicate in every other section of the country.

Unfortunately, when the REA Act was passed, we were limited to forty millions of dollars a year for rural electrification, and, somehow, they cut that down to thirty millions. That almost killed our program of rural electrification. Therefore, we couldn't get anywhere. We had to find a way around that limitation. I told you the story the other day of the old maid out in the Middle West whose father willed her a fortune, under one condition--that she'd never marry any man on the face of the earth. As soon as the old man died, she took her beau down into Mammoth Cave and got married to him. She said she couldn't get around that provision of the will, but she could get under it.

I had to get around that limitation or get under it; so I made a drive on the floor of the House for a hundred million dollars in 1938 by an amendment to the relief, or "spending," bill. My amendment was adopted; we got that hundred million dollars, and raised the allotment that year from thirty million to forty, giving REA a hundred and forty million dollars for the fiscal year 1939. Then is when REA came to life. Then is when it started to move, to build power lines in every nook and corner of America. And believe me, we have just started.

We are behind every other big country in the world. Why, did you know that even Japan had ninety percent of her farms electrified while we had only ten percent? We now have thirty percent. Germany, France, Norway, and Sweden had ninety percent of their farms electrified, and Holland and Switzerland had one hundred percent, while we were lagging along here with only ten percent of our farms electrified. Today, we have thirty percent of our farms electrified, and we expect to keep up the drive until we electrify every farm home in America at the TVA rates, and then reduce those rates as time goes on.

Someone said, "Well, John, how far are you going with this thing?" I said, "Just as far as Senator Norris will go with me," which means until we reach every farm home in America with a rural power line that you can reach with the draft.

Nothing else has ever done the farmers of America so much good for the amount of money expended. We are taking to them everything people have in the cities now except the noise, the city taxes, and the congested traffic. We have reversed that trend "away from the farm"; it is now "back to the farm." People there are beginning to build up their surroundings. If you don't believe it, go out here and look at some of those ghost-infested old houses you saw ten years ago in Virginia and Maryland, or any other State. Notice how they have been improved. In 1929, during those glorious days of Hoover prosperity, a man stopped in front of his old home in which he was reared, and he said, "I almost cried. The house was vacant; the doorsteps were gone; the fences were gone; the garden was grown up in weeds and brambles; the barn was falling to decay." He said, "I walked in through what had been the open gate, and looked through the paneless window into a room that once contained a happy fireside, and saw the rats and mice chasing each other across the vacant floor, while from the dying top of the shade tree in the yard, in which the birds once sang, and beneath which the children played, a lonely crow looked out over the desolate landscape and solemnly croaked his mournful message to his mate." He said, "I thought of Goldsmith's lines:

'Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.
Princes and lords may flourish or may fade--
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd can never be supplied.'"

They were destroying the farmers of this country--as Jefferson Davis once said, they were "grinding the seed corn of the

Republic." They were destroying the farm homes of America. Go back to that home today, and find it lighted, painted, the fences rebuilt, and instead of the fields laid waste, see them teeming with crops, the pastures swarming with cattle, and go into that home and see the various appliances--the electric light, the radio, the iron, the refrigerator, the electric range, the water pump carrying running water throughout the house--and you'll find not only a new home, but you'll find a new spirit--the spirit of the new America that we are now building.

That's what we're driving at. We expect to carry on this fight until we break down these rates in every State in the Union and base them upon the cost of generation, transmission, and distribution, and until we electrify every farm home in America at rates the people can afford to pay.

SECRETARY WICKARD: When John Rankin said that, when he was asked how far he was going in this fight, he said he was going as far as Senator Norris would go with him. What I want to know is, is he sure that the Senator isn't ahead of him? I'll tell you why. A while ago, while I was sitting here eating a piece of this cake, trying to attend to my business and be a good employee of the Government, a certain man named Bob Craig came up and said to Senator Norris, "Did you see what was on the last page of the RE Snoozle?" And the Senator said, "Yes." So I looked to see what it was, and it said something there about the REA doing the very thing that John Rankin referred to just now, and that was electrifying every farm home in America. And Bob then said to the Senator, "I don't think it'll take over a billion or two." And the Senator said, "No, that's all, I think we'd better go get it." Well, I didn't know what to say, and said that ought not to be so hard these days. And the Senator said, "No, not for the Department of Agriculture." Now, that put me in a rather embarrassing position, because up here is Clarence Cannon, and down there is Judge Tarver, Leavy, Lambertson--I don't know how many more members of the House Appropriations Committee might be here--and it would be very embarrassing for me, in my appeal to them, of course, to have to ask them for a billion dollars sometime just because Bob Craig and Senator Norris got me into that position. So I just wanted to explain my position right now, that I'm just repeating what I heard, as I am not a party to this plot which I heard, which may put Senator Norris several laps ahead of Mr. Rankin. You know, last year Mrs. Wickard sat by Senator Norris, and I don't think there's been a week gone by but what she has told me something about what Senator Norris told her last year. So I thought, "Well, surely I'll have the privilege of getting something this year from the Senator first-hand. I won't have to take it second-hand." And, what do you

suppose happened? Harry Slattery here on one side talking to Mrs. Norris all the time, and my wife talking to the Senator, and I'm just as dumb as I was when I came here; I haven't learned a thing, which shows that there is some disadvantage at being placed at the center of the table. I don't know how Senator Norris became interested in the public-power question. I've heard a lot of stories about it. I've heard stories about his visiting an area where there was a large electric-power dam and seeing farmers near that dam still using kerosene lamps. I've heard about his visit to Ontario and seeing the use of electricity there on the farm. Somehow, I wonder if his being one of twelve children with a widowed mother living on an Ohio farm didn't have a little to do with his interest in electricity on the farm. Whatever may have been the reason (there may have been many) is not so important to me as the fact that he did become interested in this great issue, and I know every citizen of this country has a right to be thankful for what George Norris has done toward bringing cheap power to the citizens of America. I want to introduce to you--present to you, I beg your pardon--Senator Norris.

SENATOR NORRIS: Mr. Secretary and friends: I am reminded by one of the things Mr. Rankin said about pushing REA forward and saving money for a useful purpose, of the story of a man who was very wealthy. He was worth \$5,000,000. When he got old, and that was when he was about forty years older than I am now, he found his boys, four of them, continually quarreling about what they would do with the money when the old man died. He got so disgusted with them, he decided he would not leave his boys anything, and when he was on his deathbed, he called the boys around him and told them what he had decided to do. He said, "I've put all my property into money, and I am having it put into my pocket so that it will be buried with me, and you boys are going to have to scratch for a living." So when he died, his money was put into his pocket; but the oldest boy, feeling very sorrowful and penitent, managed to come into the room when there was no one else there, and he reached into the pocket where the money was, found it, and said to himself: "Too bad to waste all this good money. I'll just take it myself and put my check in its place." So the young fellow was rich, and the corpse never knew the difference.

I realize, my friends, that REA has grown to mammoth proportions, and yet it is still in its infancy. I realize, too, the misgivings of the Secretary of Agriculture when he comes here and finds that one of his children has grown and multiplied so vastly; there is danger of the Department of Agriculture's becoming a part of the REA. The Secretary is able to get all the money he wants. He demonstrated that in a recent appropriation bill where

they started in with a few hundred thousand dollars, but when the Secretary got through with it, he went out with four billions of dollars. He has the knack of getting all the money he wants, and Congress follows his word implicitly. If he is not frightened at the rapid growth of REA, or unless he has some ambition to trade places with Harry Slattery, the REA can go on increasing at its present rapid rate, without any fear whatsoever.

Tonight, I feel just a little bit as if I did not know what to say, or what I ought to say. I'm in somewhat the same predicament as the insane patient--not that I mean to say I'm insane, but I am somewhat like the insane patient a certain doctor had. The doctor called on his patient one day, and found him writing. He said, "What are you doing there?" The patient said, "I'm writing a letter." "Well," said the doctor, "to whom are you writing the letter?" "I'm writing it to myself." "What are you writing to yourself?" asked the doctor. "Now, Doctor," replied the patient, "how in the devil should I know? I won't get the letter until day after tomorrow." I may wake up day after tomorrow and find I haven't said the things I ought to have said.

The fight for rural electrification has been a strenuous one. It has been a long, hard-fought battle, with its ups and downs, its triumphs, and its losses. Sometimes, before REA actually came into being, it seemed almost as if there were grave doubts that we could ever put through the Congress the initial bill which was necessary to make the REA which had been set up by executive order of President Roosevelt a permanent affair. When the history of that fight is finally written, it will be found there were times when its life hung by a bare thread. It was an experiment in this country. It had the opposition of the most powerful, monopolistic combination ever put together by human hands, and it required sacrifices even in the law as it now stands, before it could be given a start and a trial. The law can be improved. It ought to be. There never should be the possibility that a private power company might be able to throttle a rural-electrification project by building what is known as "spite lines." Sometimes, I wake up at night and find myself wondering why such a thing as this could so long exist. I have wondered why honest people, earnest, patriotic people, who want to do right and to treat their neighbors right, could ever vote for and stand for some of the things the power trust has put over on a suffering people.

But history travels slowly. It is not within the lifetime of any one man that anything of the magnitude of the REA could be born and grow to full manhood. Such things come more slowly. Sometimes improvements come by small degrees. Sometimes there

is a recession which may come about by reason of a weakness in the instrumentality itself, whatever it may be. In the end, however, if there is one thing more than any other which will make for the improvement and growth and extension of the blessings brought about by the REA, it is that this giant machine, spreading like a web all over the United States, has in its organization no place for a dishonest or corrupt man. If we can set the example of honesty, truthfulness, ability, and courage, it will not be possible for our enemies to find fault or to make unreasonable criticisms. It behoves all of us, therefore--the man who is digging holes for the poles, the man who is an engineer, the man who is a superintendent--to see to it that nowhere will REA tolerate dishonesty or incompetence, or even the possibility that any of REA's institutions or projects may deal unfairly with the Government. It is an organization which must stand on its own feet. It has no subsidy (although I believe one might well be justified) to bring the happiness, comfort, and financial help which it can bring to that part of our citizens who have long been suffering under disabilities and trials and tribulations which have not beset any other group of citizens of the United States. We can best prove our worth, we can best establish our stability, by seeing to it that our own conduct is above reproach, that dishonesty is always exposed, and we shall then see the time when, like Caesar's wife, we shall be above suspicion, if we have not already reached that time now.

Everyone in the REA ought to feel, no matter who he is or what may be his occupation, no matter what station he may occupy in this great organization, that he is doing an essential part of the work; that it is his organization, and that he owns it in exact proportion to the efforts he himself puts forth in its behalf. He should see to it that REA is above reproach. He should defend it against assaults that are wrongfully made. He should expose wrongdoing wherever he may find it, just as quickly as he would expose the wrongdoing of an enemy. He ought to criticize it in such a way as to bring credit to the REA and to himself. Constructive criticism is always beneficial. It benefits the critic, and it benefits the person criticized. It is twice blessed. As Portia said, "It blesses him who gives and him who takes." That is the kind of an organization we want to have. We want to aim at perfection, even though we may know we shall not live to see the goal reached for which we are striving. That is the kind of organization that succeeds. That is the kind of organization that can withstand unjust and unfair criticism. That is the kind of organization we ought to strive for, and when we do, with the magnitude of its present organization, if developed on these lines, we can rest assured the future will bring success. It will bring happiness to millions of people who have not yet had the privilege and happiness of rural electrification.

I once talked with Mr. Carmody in my office, when he was Administrator, and I said, "Have you ever found any place where you have put electricity into a farm home, where they got tired of it, and you had to take it out?" He said, "Well, we had such a case up in Minnesota, the only one I know of. It had been running about three months, when one day the farmer came in and said, "I can't afford to pay this bill for electricity every month. I don't want electricity. I didn't have it when I was a boy. We had no electricity on the farm where I was raised, and I want you to come out and disconnect me from the transmission line and take away the meter." They tried to talk him out of it, but they were unsuccessful, and when they finally had to give up, the manager said, "I'll send a man out in a few days to get the meter and disconnect the line." So, in a few days, he sent the man out. He didn't know the farmer's wife, and discovered the farmer was not at home. He introduced himself to the woman of the house, and told her what his mission was, but she said, "Oh, no, I don't want you to take it out." "Well," he said, "we don't want to take it out, but your husband ordered us to do it." "Well, I don't think you'd better take it out. I don't believe you'd better try." She was very calm and mild, but he noticed she went into the pantry while she was talking to him, and when she came out she had a rolling pin in her hand. And she said, "I think you'd better run along now and not try to disconnect this electricity." So the man decided he'd better take her advice, and he went back to town. He told the manager the result of his mission, and the manager laughed and said, "It's all over. She'll talk him out of it when he gets home." However, in a few days the man came in himself, and he brought the meter with him. He threw it on the table and said, "There's your meter. I disconnected it myself. I don't want your electricity any more." They let him go, and he went home. But when he went home, he didn't have any wife. She was gone, and she never came back."

I think that is a fair illustration of what the women of this country think of rural electrification, and I think if I were a judge and a divorce case came before me where a woman had used that weapon ordinarily used by women when they get angry on the farm, and beaten her husband into insensibility, I'd give the divorce to her instead of to him.

There isn't anything that can properly tell the story of electricity on the farm. Those who have grown up with a tallow candle for the only light they had, as I have, know that story better than anyone else. If we had had electricity when I was a boy on the farm, nobody in the family would have been allowed to turn it on or off but my Mother. That's what happened when we got the first kerosene lamp. If it was up on the bureau, and

we wanted it down on the table, Mother had to come and move it. She was afraid to trust any of the children, for fear they might drop the lamp and we might have an explosion.

I remember when I worked on the farm, there was one time in the year when I had a real harvest, one time in the year when I got two dollars a day, and that was during harvest, binding wheat. We had a rich farmer near where I lived, who had forty acres of wheat in one field. I worked in that field. I worked by the day for that farmer. I had plowed in that field, and often I had ribs I thought were broken when the plow struck a stone or a rock. Jim Mook, the owner of that forty acres of wheat, it was noised around the country, had bought a self-binder. People had been talking a little about the self-binder; we had heard there was such a thing, but nobody in the country had ever seen one, and nobody believed we ever would. But among the poor people like myself, who had to work and were laboring for these farmers, binding wheat, we all knew that Jim Mook had bought a self-binder, but nobody thought it would work. The first self-binders that came out bound the wheat with wire, you will remember, Mr. Secretary, but we didn't believe anybody could invent a machine that could tie a knot with wire. However, the self-binder came, and it worked. They cut around that forty-acre lot one whole day, and that night some men, laboring men like myself, went into the field and they stacked up some sheaves of wheat, a dozen or two, around that self-binder, and set it on fire. When I went home Saturday night, I knew what I would find. I knew--and I had worked until dark and had four or five miles to walk home--that I would find Mother in that one room which was our kitchen, sitting room, and dining room. She would be waiting for me, and she wouldn't go to bed until I came home. That night she was reading the Bible by the tallow candle by which my sisters and I had to learn our lessons when we went to country school. We studied by that kind of a light. Mother got up and met me at the door, and the first thing she said, was, "Willie, have you heard about Jim Mook's self-binder?" I said, "Yes, Mother, I've heard about it." "Wasn't that awful?" she asked. And I said I thought it was awful. The next remark came right from her honest heart, and without taking time to think, she said, "But what are we poor people going to do?" She condemned the act; she knew it was wrong. She had no sympathy for the men who did it--and nobody ever knew who did this deed--but it seems to me this illustrated something in her character which I am proud to remember that my Mother possessed. It seemed to me it showed that, while she would not tolerate a crime or any wrongdoing such as burning Jim Mook's binder was, nevertheless, she felt that poor people in northern Ohio, like ourselves, working day and night from morning until night, deserved something better than we were getting;

that something was being held away from us by those in power, either political or financial, even religious; that we were being kept down, when as human beings we should have had the same opportunity for enjoyment, the same privileges in all fundamental matters, that others had, regardless of wealth or political power.

It seems to me this organization is going out over our country like a body of missionaries, carrying the gospel of truth and civilization, advancement, happiness, and prosperity, to millions and millions of our people who are just as honest, just as intelligent, just as sensible, and just as patriotic, as we are, even though they may not possess some of the educational advantages we have had. After all, there is a humanity in the hearts of men and women that seeks equality, that recognizes right and justice regardless of whether the person is rich or poor, and it is one of the fundamental principles of liberty and human freedom that every man, regardless of position, has the right to strive to become happy and comfortable.

That is your mission, and that is my mission, so far as I am able to help, and that ought to be the mission of everyone in this great organization, all over the United States. If you follow that principle, if you carry it out, you will not only bring more happiness, comfort, and pleasure to the farmers of America than they have hitherto had, but you are also going to find your own heart filled to the same degree with that same satisfaction. The Bible says it is more blessed to give than it is to receive, and you are going to be in that same category. You are carrying the light of civilization forward to a nobler and better day, to bring with rural electrification comfort and happiness to those who receive it, as it will likewise bring comfort and happiness to you who give it.

SECRETARY WICKARD: Thank you, Senator Norris, for that inspiration, because indeed it was an inspiration. I think more of us now know why Senator Norris has not only been interested in electricity for everyone, but he has also had first-hand knowledge of the problems of poor people that only comes from being one of them.

The next speaker, Sam Rayburn, also is one of the soil. He was born on a Tennessee farm, reared on a Texas farm. He has always been in the fight for cheaper electricity for rural and urban users. He helped in drafting and enacting the Securities Exchange Act of TVA, and, as you all know, was coauthor with Senator Norris of the REA Act of 1936. It is my great honor to present to you the Speaker of the House of Representatives, Sam Rayburn.

MR. RAYBURN: Mr. Secretary, guests and friends: I shall not detain you long. The greatest applause I ever received during a speech was one time in a little town named Emory, down in Rains County, Texas. The merchants wanted the farmers to come to town, so they got up a picture show for Saturday night, and my friends, knowing that I was slightly in distress in that county, trying to get the nomination, asked me to come down and speak that night. And they inveigled the picture-show people and the merchants to allow me to speak before the picture. I was speaking along, and hundreds were out there, not to see or hear me, but to see the picture. The little folks were on all the front seats, and I harangued them for some time and then I said, "One more thing and then I'm going to close and let you see the picture show." The applause was screaming and swift. I know that a great many of you young people want these tables cleared out for the dance to begin. There is one person in here that comes from Rains County that will understand the enthusiastic response on that occasion.

I'm happy to be here, and to meet and to greet you. Sometimes when I am introduced to an audience, I use a part of a speech I made over in Pennsylvania, where in all probability more people own stock in these utility companies per capita than in any other State in the Union. As has been referred to, I was the author of the Holding Company Act of 1935 that was going to rob all the widows and orphans in the country and also the trust companies, and escape with all of their savings; and of the Stock Exchange Act of 1934 that was going to foreclose all the stock exchange and put panic into the country; and of the Securities Act of 1933 that was going to prevent the sale of any more securities in interstate commerce in the future; and of the Railroad Holding Company Act of 1933; and coauthor with Senator Norris of Rural Electrification sometime thereabouts, as the Secretary has said. I told them I was reminded of a very diminutive Negro preacher in my county who came to Black Springs to preach. Out on the prairies of Texas, we had a one-room schoolhouse that held school five days in the week. Denominations using it alternated on Sundays. One time we turned it over to our colored friends. There was a very high pulpit in that converted church on which the preachers laid their Bibles, and the multitudes assembled, whites and blacks, and this little fellow was sitting in behind this pulpit and nobody had seen him, and after a while he rose and stood on his tiptoes and looked out over that pulpit and announced his subject, which was, "It is I, be not afraid." So I told this Pennsylvania audience that I had investigated with the Power Commission just before I went up there, to see how much they had been robbed, and I found that from the time the bill was introduced in 1935, on February 5, and on September 5, 1936, these widows and orphans, stock companies, and others had been

robbed to the extent that the stocks of these utilities operating in Pennsylvania were selling for more than half to three times as much as they were on February 5, 1935. So I am not very excitable about people with a selfish interest. And I might say for the Securities and Exchange Commission, before I pass to what's uppermost in your mind for a moment, that if the Securities and Exchange Commission administering the Securities Act of 1933, the Stock Exchange Act of 1934, and the Utility Holding Company Act of 1935, is in the years immediately lying out in front composed of men of the character, men of the ability, and men of a passion for justice and the public service such as those members they've had in the past, the Commission is going to do the splendid job on securities, stock exchange, and controlling stock and holding companies, that should be done.

Now, let me say this to you. When Rural Electrification was passed, I think my county's pioneers did it. The great county in which I lived at that time has more than 50,000 people in it. With at least forty percent of them on the farm, there were two miles of rural electrification in that great county, and those two miles happened to be built out to a farm that I call home down there, and I've often wondered if I hadn't happened to have been a member of Congress, if we'd have had two miles of rural electrification in that county. And speaking of spite lines, when the executive order went in about rural electrification some time ago, I induced REA to send a fellow down to Fannin County to look into the situation at Ravenna, a town of three hundred people, that had no lights, and at Ivanhoe, the community near which I own a place that's not big enough to call a ranch, but I call it a ranch because I'm going to be a ranchman, and also at Telephone, a community of several hundred people, which had no lights. This fellow from the Rural Electrification was going to arrive on the 30th of December. On the 27th of December, I took a drive out that road, and in two days a certain power company had erected five miles of rural electrification and completed it to thirty miles within a few days. Then, it was too expensive to build lines out to the farms. They said it cost \$1,800 a mile to build a line to carry electricity in the country. I think it's been demonstrated that's a little in excess of what should be the cost.

You've done a grand job. We can pass laws in Congress, with the best intentions and of the finest character, but they're utterly useless unless there is a good, sensible, fair, and honest administration of them. I have as few complaints about the Rural Electrification set-up as any in the country, and I think a great deal of that credit may be given to the outstanding men from the beginning to now who have headed Rural Electrification here in Washington. There are more people in towns and cities today than

could ever get employment, it matters not what kind of times we may have. There are just too many there. They cannot be taken care of with jobs. It is necessary, therefore, that we keep all the people upon the farms that we have there today. With diversified farming, more than we've ever had, and more diversification each year, because the farmers are becoming wiser, that can probably be accomplished. An all-weather road is absolutely necessary to the man who has things that he must take to market each and every day. If we can, through WPA, the Federal Roads Board, and the State Highway Commissions, improve and build all-weather roads to the farmer's door and give him rural electrification at a price that he and his family can consume it, we can keep the people who are there on the farms now, and maybe get a few in town who have no business there back to the farm from which they came. I do trust, and I think this is fundamental in a democracy, that the agents and the representatives of the Government will carefully consider how they act for the people. The average citizen has no contact with his Government except those that he has through the agencies of the Government that he contacts. I hope that you, as I have urged upon other groups who represent the Government of the United States, will take the time and have the patience to explain things to these people out there, to be kindly to them and to be as helpful to them as within your power it lies. In that way we can teach the people that this is their Government, and let them know that it is their Government, and that you and I and others who are connected with the administration of it are only the agents of this great Government of yours and mine. We need good feeling, we need understanding, we need unity in America today as we never have needed it before. We therefore must seek to bring about justice and fair play and equality of opportunity for all of our citizens. Because I say to you in candor that during the months that lie out before you and me and all the other citizens of this great Republic and every other free peoples throughout the length and breadth of the earth, we must look for all that is in us to preserve, protect, defend, and perpetuate democracy throughout the earth.

SECRETARY WICKARD: Thank you, Mr. Speaker. I could not help wondering if some of our private-utility people from Indiana had learned their tricks in Texas. Or perhaps they just went to the same school together. They seem to play the game in the same way, as Mrs. Wickard and I could testify. Now, I want to thank you very much for your attention. I've enjoyed this evening very much. I know all of you have, too. I'm going to turn the speaking back to Harry Slattery, who, I believe, has a message. Mr. Slattery.

MR. SLATTERY: We have a letter from President Roosevelt. Secretary Wickard graciously stated, "Harry, I think you should read it, since it's addressed to you." I quote the President's letter:

"The White House
"Washington, April 9, 1941.

"My dear Mr. Slattery:

"I'm glad to know that the Rural Electrification Administration is about to hold its sixth annual field conference and birthday party. I'm happy on this occasion to send you and your associates congratulations on another year's record of notable accomplishment.

"The records prove the effectiveness of a well-knit and seasoned organization. Each year has found increasing growth and continuing progress in rural electrification. For all of you, and particularly for the field staff out on the firing line, it must be a matter of primary satisfaction to know that your efforts are now bringing light and happiness to over 700,000 rural homes in nearly every State of our Union. Such achievements lead us to believe that the day is near when the benefits of electricity will become a reality for nearly every farm family in the United States.

"There is also a very present other concern for the Rural Electrification Administration. The Congress has implemented a great program, looking toward security of our country from aggression. In achievement of that end, widespread availability of electricity is a major factor. The more than 300,000 miles of line now reaching into nearly every part of the country assist in no small degree the great national effort that must be made to preserve the principles of democracy. Therein lies another reason for the importance of the continued expansion of these lines as a vital necessity for total defense.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT"

